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83^D CONGRESS
2^D SESSION

H. R. 8152

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1954

Mr. AYRES introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title III of the Servicemen's Readjustment Act of 1944,
4 as amended, is hereby amended as follows:

5 (1) By striking out "June 30, 1954" from clause (C)
6 of section 512 (b) and inserting "June 30, 1955" in
7 lieu thereof.

8 (2) By striking out "June 30, 1954" from the first

1 sentence of section 513 (a) and inserting “June 30, 1955”
2 in lieu thereof.

3 (3) By striking out “June 30, 1955” from the third
4 sentence of section 513 (c) and inserting “June 30, 1956”
5 in lieu thereof.

6 (4) By striking out “June 30, 1954” from the first
7 sentence of section 513 (d) and inserting “June 30, 1955”
8 in lieu thereof.

A BILL

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

By Mr. AYRES

MARCH 2, 1954

Referred to the Committee on Veterans' Affairs

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 4, 1954

For actions of March 3, 1954

83rd-2nd, No. 40

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed bill to increase CCC borrowing authority, agreeing to committee amendment to delete July 1 as effective date and Williams amendment to provide for restoration of only realized losses. Senate passed bill to continue Mexican farm labor program. Senate committee reported forest grazing-policies bill. Senate committee voted to report wool price supports bill. Senate committee reported resolution to continue wheat-imports investigation. House debated State, Justice, Commerce appropriation bill; rejected Whitten amendment to pay agricultural attaches from USDA appropriations. House received conference report on 2nd supplemental appropriation bill.

SENATE

1. COMMODITY CREDIT CORPORATION. Passed with amendments S. 2714, to increase the borrowing power of CCC from \$6,750,000,000 to \$8,500,000,000. Agreed to the committee amendment to strike out the effective date of July 1, 1954, so as to make the bill effective upon enactment. Agreed to an amendment by Sen. Williams to require the Treasury Department to appraise CCC inventories on the basis of actual losses and authorizing appropriations instead of note cancellations as a means of reimbursing CCC for losses. (pp. 2414-9.)
2. FARM LABOR. Passed with amendment H. J. Res. 355, to continue the Mexican farm labor program temporarily in the absence of an agreement with Mexico. Agreed to an amendment by Sen. Aiken (on behalf of the Agriculture and Forestry Committee) to make technical changes in the language so as to make it identical with S. J. Res. 121. Rejected a motion by Sen. Humphrey to refer the House measure to the Agriculture and Forestry Committee. The vote on passage of the measure was 59 to 22. (pp. 2420-35.)
3. WOOL PRICE SUPPORTS. The Agriculture and Forestry Committee voted to report (but did not actually report) S. 2911, to provide for a special wool price support program through direct payments, loans, etc. The Committee agreed to several amendments. The principal amendment would provide that, when wool support is carried through loans, such loans could not exceed 90% of parity. (p. D223.)
4. FORESTRY. The Agriculture and Forestry Committee reported with amendments S. 2548, to facilitate the administration, use, improvement, and development of

national forest grazing lands (S. Rept. 1042)(p. 2405).

Sen. Wiley spoke in favor of S. 1173, to earmark 10% of national forest receipts for recreation purposes (p. 2405).

5. WHEAT IMPORTS. The Agriculture and Forestry Committee reported without amendment S. Res. 218, to continue until Jan. 31, 1955, the authority of the Committee to investigate importation of wheat classified as unfit for human consumption (S. Rept. 1043)(p. 2406).
6. PRICE SUPPORTS. Sen. Thye spoke in favor of S. 2962, to limit the reduction in dairy supports, and inserted a letter from the National Milk Producers Federation (pp. 2407-8).
Sen. Hickenlooper inserted a Fortune magazine article, "Mr. Benson's Flexible Flyer," commending the Secretary (pp. 2410-13).
7. TENNESSEE VALLEY AUTHORITY. Sen. Kefauver inserted various statements supporting TVA (p. 2404).
8. LAND TRANSFER. The Agriculture and Forestry Committee reported without amendment S. J. Res. 119, to validate conveyance of a land tract in the Escambia Farms Project, Fla. (S. Rept. 1040)(p. 2405).

HOUSE

9. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1954. Received the conference report on this bill, H. R. 7996 (H. Rept. 1265)(pp. 2443-4). The conferees agreed to \$1,431,909 for the Hoover Commission instead of \$300,000 as proposed by the House and \$1,831,909 as proposed by the Senate. The conferees eliminated \$400,000 included in the budget presentation for task forces which may be created. The House conferees stated, "The Commission is in the process of organizing budget requirements for all task force work and will know better after plans are more definite whether an additional amount will be required."
10. PRICE SUPPORTS. Rep. Multer urged use of the Secretary's wool-support program for all other price-support commodities (pp. 2473-4).
11. HEALTH FACILITIES. The Interstate and Foreign Commerce Committee reported without amendment H. R. 8149, to assist the States in surveying needs for health facilities, and to assist in the construction of such facilities (H. Rept. 1268)(p. 2477).
12. FARM LOANS. The Veterans' Affairs Committee reported without amendment H. R. 8152, to extend to June 30, 1955, the direct home and farmhouse loan authority of the Veterans' Administration, to make additional funds available therefor, etc. (H. Rept. 1267)(p. 2477). Rep. Rogers, Mass., spoke in favor of this bill (pp. 2471-2).
13. FORESTRY. The Agriculture Committee "considered, but postponed further action on" H. R. 1972, to earmark 10% of national forest receipts for recreation (p. D226).
14. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1955. Began debate on this bill, H. R. 8067 (pp. 2444-69). Rejected Rep. Whitten's amendment to strike out \$567,000 for agricultural attaches. Rep. Whitten said these attaches should be paid through the agricultural appropriation bill. (pp. 2458-63.)

CONTINUATION OF DIRECT LOAN PROGRAM
TO JUNE 30, 1955

MARCH 3, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mrs. ROGERS of Massachusetts, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H. R. 8152]

The Committee on Veterans' Affairs, to whom was referred the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

The purpose of this bill is to authorize not to exceed \$100 million additional for the revolving fund for the purpose of making direct home and farmhouse loans to veterans under the Servicemen's Readjustment Act, and to extend the authority for operations to June 30, 1955. The present authority expires June 30, 1954. The maximum amount of any loan is unchanged from the previous limit of \$10,000.

The original authorization extended from July 19, 1950, to June 30, 1951, and empowered the Administrator to make direct loans up to \$150 million (Public Law 475, 81st Cong., approved Apr. 20, 1950). After expiring, at the end of June 30, 1951, the authority was renewed on September 1, 1951, on a revolving fund basis, limited to \$150 million outstanding as of any one time, and extended to June 30, 1953 (Public Law 139, 82d Cong.). The revolving fund included the unreserved portion of the original \$150 million fund allocation, plus the increment from loan repayments, and the proceeds of sales of direct loans to private investors. The revolving fund was augmented in

April 1952 by an additional allocation of up to \$125 million, to be made available by the Secretary of the Treasury in quarterly installments of \$25 million, less the proceeds of direct-loan sales in the preceding quarter (Public Law 325, 82d Cong.). Under provisions of Public Law 101, 83d Congress, approved July 1, 1953, the program was continued for 1 year, to June 30, 1954, with up to \$100 million added to the revolving fund, to be made available in quarterly installments, and the maximum interest rate on direct loans was raised to conform to the rate on guaranteed loans.

As stated, Public Law 325 of the 82d Congress, granted \$125 million for use in making such loans, but the \$125 million was to be limited to \$25 million for each quarter remaining for the life of the program. This bill maintains the same sort of allocation which was carried forward by Public Law 101 of the 83d Congress. In accordance with previous provisions, the sum of \$25 million will be decreased by such amount as is received by the Veterans' Administration in the previous quarter from the sale of direct loans. In other words, to the extent that the Veterans' Administration is successful in selling previously made mortgages to private lending institutions in each quarter, the requirements for the funds authorized by this law will be proportionately reduced as to the succeeding quarter. Thus, if sufficient sales were effected in each quarter the additional funds would not be required.

It is important to note, however, that the amount of such sales has been negligible in proportion to the amount of lending done by the Veterans' Administration. As of January 31, 1954, 1,709 loans with a principal amount of \$10,890,400, had been sold—less than 4 percent of all direct loans made to date.

Administrative application of the program, which it is assumed will be continued, generally is limited to the designated nonmetropolitan areas of the country and thus the loans are generally confined to the smaller towns (and rural and semirural areas).

It is important to stress that the Veterans' Administration is empowered to make a direct loan only after it is determined that private capital is not available to finance the loan. In practice, under existing law, whenever an eligible veteran makes an application for a direct loan and is found to be basically qualified, he must show that he is unable to obtain a 4½ percent loan from private lending sources in the area. It is only after private sources have proved unavailable that the Veterans' Administration makes the loan in a designated area.

From the beginning of the direct loan program in July of 1950 to January 31, 1954, a total of 78,269 formal applications for direct loans have been received, of which 27,472 had been withdrawn or denied, 43,198 had resulted in closed and fully disbursed loans, and 7,599 were in process. From the inception of the program, a total of \$376,231,400 had become available in the revolving fund for making direct loans. This sum was derived from the following sources:

Original congressional authorization.....	\$150,000,000
Subsequent Treasury advances (8 quarterly advances).....	190,867,100
Proceeds of direct-loan sales.....	10,890,400
Other principal repayments.....	24,473,900
Total.....	376,231,400

By the end of January 1954, the total amount of direct loans disbursed was \$299,676,000. An additional \$53,596,900 had been committed for loans in process, leaving \$22,958,500 in uncommitted funds available for making additional direct loans. Between February 1, 1954, and June 30, 1954, it is estimated that about \$29,500,000 will become available for making direct loans; \$25 million for Treasury advances, and the proceeds from direct-loan sales; \$4,500,000 from principal repayments. This sum added to the \$22,958,500 in uncommitted funds available for making loans at the end of January 1954, totals about \$52,460,000, enough to provide about 7,500 additional loans during the final 5 months of the presently authorized direct-loan program. As of January 31, 1954, there were about 32,000 veterans with loan applications or requests on file, which funds had not been reserved and in the 57 Veterans' Administration regional offices which have areas designated as eligible for direct loans as compared with 26,100 at the end of January a year ago.

As of the end of January 1954, a total of 2,289 direct loans had been terminated; 519 by repayment in full; 1,709 by sale; 29 by foreclosure; 32 by voluntary conveyance of title to property. As of the end of January 1954, there were 1,475 direct loans in default, of which 163 were 4 or more installments in default, or four-tenths of 1 percent of the 40,909 direct loans outstanding on that date. Direct-loan sales during recent months have been almost negligible. However, some gradual acceleration is anticipated in the sales of loans made by the Veterans' Administration after July 1, 1953, at the new 4½-percent interest rate.

The committee is of the opinion that this program is working extremely well, that the default rate of four-tenths of 1 percent is unusually low, and that the entire program is administered in a very conservative manner. So long as these direct loans are made only after private lending sources are shown to be unavailable to make the loans, the committee believes the Government is fully warranted in providing and authorizing such a program.

The report of the Veterans' Administration on H. R. 7203, an identical bill, follows:

VETERANS' ADMINISTRATION,
Washington 25, D. C., February 2, 1954.

Hon. EDITH NOURSE ROGERS,
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington 25, D. C.*

DEAR MRS. ROGERS: Further reference is made to your request for a report by the Veterans' Administration on H. R. 6930, 7203, 7296, 7378, and 7392, 83d Congress, which are similar bills to extend the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, and to make additional funds available therefor.

The purpose of all these measures is to amend sections 512 and 513 of the Servicemen's Readjustment Act, as amended, to extend beyond June 30, 1954, the authority of the Administrator of Veterans' Affairs to make direct home and farmhouse loans to veterans. Under the provisions of H. R. 7203, 7378, and 7392 such extension would be authorized for a period of 1 year until June 30, 1955, whereas H. R. 6930 and 7296 would continue the Administrator's direct loan authority for periods of 6 months and 2 years, respectively. Additional funds would be made available for direct loans under the provisions of each of these bills. Although 3 of the bills (H. R. 6930, 7203, and 7296) provide quarterly advances after June 30, 1954, of \$25 million less such amounts as shall be received by the Administrator in the preceding quarter annual period from the sales of direct loans to private lenders, H. R. 7378 and 7392 would increase such quarterly

advances, respectively, to \$75 million and \$100 million subject to the deduction of amounts received in the preceding quarter from the sale of direct loans.

Information relating to the legislative history and current status of the Veterans' Administration direct-loan program is contained in a separate statement which is attached hereto and made a part of this report.

Since the last renewal of the program by the Congress (Public Law 101, 83d Cong., approved July 1, 1953) there has been some general improvement in the availability of GI loan funds on an overall basis but such improvement seems to have been confined predominately to urban areas and it, therefore, has been possible to remove only a relatively few areas from the eligible direct-loan list as the result of an increased availability of private financing for GI loans. A further improvement in the supply of private funds for GI loans in 1954 appears likely, but the possibility is remote that such funds will become available to any considerable extent in the rural areas where private capital has never been generally available for financing loans to veterans. This, together with the fact that the magnitude of the waiting list of veterans applying for direct loans in eligible areas has increased during the past year, suggests that there is a continuing need for direct loans.

As the committee is aware, eligibility for direct home loans has been confined almost exclusively to the smaller towns and more rural counties. Presently there are no cities in eligible areas within the continental United States which exceeded 50,000 in population according to the 1950 census, although a few such cities were eligible for a limited period prior to April 1952. Only a relatively small proportion of the cities with a 1950 population of 25,000 to 50,000 are eligible.

Thus the operation of the direct-loan program is now restricted almost entirely to the nonmetropolitan parts of the country where veterans have had but little opportunity to obtain the advantages of a GI loan from private lenders in their communities. It should be emphasized that under the Veterans' Administration direct-loan procedures there is an additional safeguard against encroachment upon private economic activities by reason of the requirement that the veteran show expressly that he had been unable to obtain a VA-guaranteed loan from a private lender in his community, before an application for a direct loan is considered by the Veterans' Administration.

In the event that it is determined that the direct-loan authority should be extended beyond the present expiration date of June 30, 1954, there would be for consideration the question as to the term of such extension and the amounts to be made available therefor. If a 6-month extension to December 31, 1954, as provided by H. R. 6930, were enacted, it would apparently result in a hiatus of the VA's lending authority pending a determination by the 84th Congress, as to whether or not the program should be reenacted, unless, of course, the matter were again to be considered during the current session of the present Congress. It would seem desirable from the standpoint of administrative considerations that if the program is to be extended, such extension should be for a period of at least 1 year. In connection with the proposal to extend the program for 2 years, it would, of course, be more difficult to project the probable need for direct loans over a 2-year span. There does not appear to be any reasonable prospect that the need for direct loans would be completely eliminated within that period. On the other hand, some improvement in the supply of private funds available for GI loans in rural and semirural areas may occur within the next year or two, which would have the effect of reducing the need for direct loans.

With respect to the funds to be authorized for the future operations of the direct-loan program the attention of the committee is directed to the fact that the existing allocation of \$25 million per quarter has not been sufficient to satisfy fully all the requests for direct loans which have been received since the quarter annual system was established by Public Law 325, 82d Congress, although this sum has contributed measurably toward meeting the needs of veterans in rural and semirural areas.

An analysis of the monthly trend in the number of veterans waiting to obtain direct loans indicates that the size of the waiting list remained relatively stable during the first half of 1953. From a total of 27,600 on June 30, 1953, the waiting list increased to a peak of 33,400 on September 30, 1953, during a period when the supply of private funds for GI home loans was probably rather limited in most parts of the country. The fact that the waiting list has declined moderately in the last 3 months of 1953 to about 32,000 may indicate that there has been some improvement in areas designated as eligible for direct loans even though the general improvement in loan availability since July 1, 1953, appears to have been confined primarily to urban areas.

For the information of the committee the amount of funds available for direct loans has been projected through the expiration date provided in the subject bills, assuming Treasury advances of \$25 million (as specified in H. R. 6930, 7203, and 7296 on the basis of the present law), \$75 million (H. R. 7378), and \$100 million (H. R. 7392), and based on the assumption that the amendatory legislation would be enacted during the April-June quarter of 1954 and that the increased authorization would become immediately available. Under the present law, if extended to June 30, 1955, a total of about \$175 million would become available for new loans from Treasury advances, sales, and principal repayments during the 18 months ending June 30, 1955, and this would provide approximately 25,000 direct loans. H. R. 7378 would provide a total of about \$427 million, enough for about 61,000 loans and \$552 million would be provided by H. R. 7392 for about 79,000 loans. Veterans who have already filed requests for loans would presumably receive first priority and it is estimated that about 15,000 to 20,000 loans would finally be made to veterans who were on the waiting lists on December 31, 1953.

On the basis of present information it would appear that the rate of quarterly advances provided in the present law may be enough to keep even with new requests for direct loans since the number of veterans on waiting lists has remained relatively stable during the past year, and declined slightly in the past 3 months.

If the quarterly authorization of direct-loan funds were to be increased threefold or fourfold, as provided by H. R. 7378 and H. R. 7392, it might be expected that a much larger number of new requests for direct loans would be made than has been the case in recent months. It is probable that many veterans may have been deterred from requesting direct loans by the limited amount of available funds and the consequent long waiting period in some regions, although there is no way of estimating how many veterans were so deterred. The publicity attendant upon an increase in funds would also undoubtedly generate an increased flow of direct-loan requests.

It may be further noted that an increase in the quarterly allocation of direct-loan funds might also stimulate an increase in the requests for designation of additional areas as eligible for VA direct loans. As heretofore stated, the present policy of the Veterans' Administration, pursuant to law and guided by the intent of the Congress as expressed in committee reports which provided additional funds for direct loans, is to confine direct-loan eligibility primarily to the small towns and rural areas of the country. If further increase in the funds for direct loans is authorized, without a further expression of congressional intent in this regard, there will undoubtedly be many requests for designating additional areas as eligible for direct loans.

For the purpose of making the projections of fund availability and the number of direct loans which might be made under H. R. 7378 and H. R. 7392, it has been assumed that the increased amount of quarterly authorization would become available immediately upon enactment of the legislation. If it is the intent of the committee that the increased quarterly allotment be available only during the four quarters of fiscal year 1955, it is suggested that clarification of this point would be advisable.

In considering proposals to increase substantially the amounts to be authorized in connection with an extension of the direct-loan program, the committee will, of course, wish to take into consideration the increased financing burden which would be imposed on the Treasury by these measures at a time when the need for reducing such burdens is paramount.

In summary it would appear that private lending sources are not yet able to supply funds for loans to veterans in most rural or semirural areas at an interest rate comparable to that for VA-guaranteed loans and, therefore, the committee may wish to give favorable consideration to a continuation of the direct-loan program beyond June 30, 1954. On the other hand, it is believed that a threefold or fourfold increase in funds, as is provided by H. R. 7378 and H. R. 7392, is more than necessary to meet the demand which can be anticipated unless it is proposed to alter the present concept of the program as a supplemental and standby aid only. It would seem that for reasons of administrative simplicity any extension of the direct-loan program should be for a period of not less than 1 year.

Due to the urgent request of the committee for a report on these bills, advice has not been obtained from the Bureau of the Budget concerning their relationship to the program of the President.

Sincerely yours,

H. V. HIGLEY, *Administrator.*

STATUS OF VA DIRECT-LOAN PROGRAM

The Veterans' Administration is authorized to make direct loans to eligible veterans for the purchase or construction of homes or for the construction or improvement of farmhouses in areas where guaranteed or insured home loans are not available from private lending sources. Designated direct-loan areas consist primarily of the less populous counties or portions of counties.

The original authorization extended from July 19, 1950, to June 30, 1951, and empowered the Administrator to make direct loans up to \$150 million (Public Law 475, 81st Cong., approved Apr. 20, 1950). After expiring, at the end of June 30, 1951, the authority was renewed on September 1, 1951, on a revolving fund basis, limited to \$150 million outstanding as of any one time, and extended to June 30, 1953 (Public Law 139, 82d Cong.). The revolving fund included the unreserved portion of the original \$150 million fund allocation, plus the increment from loan repayments, and the proceeds of sales of direct loans to private investors. The revolving fund was augmented in April 1952 by an additional allocation of up to \$125 million, to be made available by the Secretary of the Treasury in quarterly installments of \$25 million, less the proceeds of direct-loan sales in the preceding quarter (Public Law 325, 82d Cong.). Under provisions of Public Law 101, 83d Congress approved July 1, 1953, the program was continued for 1 year, to June 30, 1954, with up to \$100 million added to the revolving fund, to be made available in quarterly installments, and the maximum interest rate on direct loans was raised to conform to the rate on guaranteed loans.

From the beginning of the direct-loan program in July of 1950 through December 31, 1953, a total of 76,193 formal applications for direct loans had been received, of which 26,937 had been withdrawn or denied, 42,102 had resulted in closed and fully disbursed loans, and 7,154 were in process. From the inception of the program, a total of \$350,130,600 had become available in the revolving fund for making direct loans. This sum was derived from the following sources:

Original congressional authorization.....	\$150, 000, 000
Subsequent Treasury advances (7 quarterly advances).....	166, 212, 600
Proceeds of direct-loan sales.....	10, 594, 000
Other principal repayments.....	23, 324, 000
Total.....	350, 130, 600

By the end of December 1953 the initial amount of direct loans disbursed was \$291,340,000. An additional \$49,540,400 had been committed for loans in process, leaving \$9,250,200 in uncommitted funds available for making additional direct loans.

Between January 1, 1954, and June 30, 1954, it is estimated that about \$55,400,000 will become available for making direct loans (\$50 million from Treasury advances and the proceeds from direct-loan sales and \$5,400,000 from principal repayments). This sum added to the \$9,250,200 in uncommitted funds available for making loans at the end of December 1953, totals about \$64,650,000, enough to provide about 9,000 additional loans during the final 6 months of the presently authorized direct-loan program. As of December 31, 1953, there were nearly 32,000 veterans with loan applications or requests on file for which funds had not been reserved in the 57 VA regional offices which have areas designated as eligible for direct loans as compared with 27,100 at the end of December a year ago.

As of the end of December 1953 a total of 2,198 direct loans had been terminated, 486 by repayment in full, 1,653 by sale, 25 by foreclosure, and 29 by voluntary conveyance of title to the property. As of the end of December 1953 there were 1,284 direct loans in default, of which 158 were 4 or more installments in default, or four-tenths of 1 percent of the 39,904 direct loans outstanding on that date. Direct-loan sales during recent months have been almost negligible. However, some gradual acceleration is anticipated in the sale of loans made by VA after July 1, 1953, at the new 4½-percent interest rate.

VETERANS' ADMINISTRATION,
DEPARTMENT OF VETERANS BENEFITS.

January 29, 1954.

RAMSEYER RULE

In accordance with clause 3 of rule XIII, House of Representatives, the changes made in existing law by the bill are shown as follows (existing law proposed to be omitted is in black brackets; new matter is in italics; existing law in which no changes are proposed is shown in roman):

PUBLIC LAW 346, 78TH CONGRESS

SUPPLEMENTAL DIRECT LOANS TO VETERANS

SEC. 512 (38 U. S. C. 694*l*). (a) Upon application by a veteran eligible for the benefits of this title who has not previously availed himself of his guaranty entitlement, the Administrator is authorized and directed to make, or enter into a commitment to make, the veteran a loan to finance the purchase or construction of a dwelling to be owned and occupied by him as a home, or to finance the construction or improvement of a farmhouse, if (1) the Administrator has found, after the effective date of this section, that in the area in which the dwelling or farmhouse is located or is to be constructed private capital is not available for the financing of the purchase or construction of dwellings, or the construction or improvement of farmhouses, as the case may be, by veterans under this title, and (2) the veteran shows to the satisfaction of the Administrator—

(A) that he is a satisfactory credit risk,

(B) that the monthly payments to be required under the proposed loan bear a proper relation to the veteran's present and anticipated income and expenses,

(C) that he is unable to obtain from private lending sources in such area at an interest rate not in excess of the rate authorized for guaranteed home loans a loan for such purpose for which he is qualified under section 501 or section 502 of this title, and

(D) that he is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act, as amended, or the Housing Act of 1949.

(b) Loans made under this section shall bear interest at the rate to be determined by the Administrator of Veterans' Affairs, not to exceed the rate authorized for guaranteed home loans, and in no event to exceed 4½ per centum per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable: *Provided, That—*

(A) the original principal amount of any such loan shall not exceed \$10,000;

(B) the guaranty entitlement of the veteran shall be charged with the same amount that would be deducted if the loan had been guaranteed to the maxima permitted under section 500 (a) of this title;

(C) the authority to make loans under this section shall expire [June 30, 1954] *June 30, 1955*, except that if a commitment to make such a loan was issued by the Administrator prior to that date the loan may be completed subsequent to such date.

(c) In connection with any loan under this section, the Administrator is authorized to make advances in cash to pay the taxes and assessments on the real estate, to provide for the purpose of making repairs, alterations, and improvements, and to meet the incidental expenses of the transaction, and shall credit to the principal of the loan an amount equal to that which would have been payable under section 500 (c) of this title had the loan been made by a private institution.

(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title.

(e) This section shall take effect ninety days after the date of enactment of the Housing Act of 1950.

SEC. 513 (38 U. S. C. 694*m*). (a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from

time to time except that no sums may be made available after **[June 30, 1954]** *June 30, 1955*. After the last day on which the Administrator may make loans under that section, he shall cause to be deposited with the Treasurer of the United States, to the credit of miscellaneous receipts, that part of all sums in the special deposit account referred to in subsection (c) of this section, and all moneys received thereafter, representing unexpended advances or the repayment or recovery of the principal of loans made pursuant to section 512 of this title. Interest collected by the Administrator on loans made under section 512 in excess of the amount payable by him to the Treasurer of the United States under subsection (b) of this section, together with any miscellaneous income or credits, shall constitute a reserve for payment of losses, if any, and expenses incurred in the liquidation of said obligations. The Administrator shall have power to invest such reserves, or any unexpended part thereof, from time to time in obligations of the Government of the United States.

(b) On advances by the Secretary of the Treasury under subsection (a) of this section, less those amounts deposited in miscellaneous receipts under subsections (a) and (c) hereof the Administrator shall pay semiannually to the Treasurer of the United States interest at the rate or rates determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the advance.

(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than **[June 30, 1955,]** *June 30, 1956*, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. Without regard to any other provisions of this title, said Administrator shall have authority to take or cause to be taken such action as in his judgment may be necessary or appropriate for or in connection with the custody, management, protection, and realization or sale of such investments, to determine his necessary expenses and expenditures, and the manner in which the same shall be incurred, allowed and paid, to make such rules, regulations, and orders as he may deem necessary or appropriate for the carrying out of the functions hereby or hereunder authorized and, except as otherwise expressly provided in this title, to employ, utilize, compensate, and delegate any of his functions hereunder to, such persons and such corporate or other agencies, including agencies of the United States, as he may designate.

(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until **[June 30, 1954,]** *June 30, 1955* such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of \$25,000,000 less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title. Except for the limitation on the sums authorized in subsection (a) hereof, this subsection shall be subject to the other provisions of this section and of this title.

○

Union Calendar No. 481

83^d CONGRESS
2^d SESSION

H. R. 8152

[Report No. 1267]

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1954

Mr. AYRES introduced the following bill; which was referred to the Committee on Veterans' Affairs

MARCH 3, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title III of the Servicemen's Readjustment Act of 1944,
4 as amended, is hereby amended as follows:

5 (1) By striking out "June 30, 1954" from clause (C)
6 of section 512 (b) and inserting "June 30, 1955" in lieu
7 thereof.

8 (2) By striking out "June 30, 1954" from the first

1 sentence of section 513 (a) and inserting "June 30, 1955"
2 in lieu thereof.

3 (3) By striking out "June 30, 1955" from the third
4 sentence of section 513 (c) and inserting "June 30, 1956"
5 in lieu thereof.

6 (4) By striking out "June 30, 1954" from the first
7 sentence of section 513 (d) and inserting "June 30, 1955"
8 in lieu thereof.

83^d CONGRESS
2^d SESSION

H. R. 8152

[Report No. 1267]

A BILL

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

By Mr. AYRES

MARCH 2, 1954

Referred to the Committee on Veterans' Affairs

MARCH 3, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

to public invitation of sealed bids. Since its adoption there has been active competition among investment bankers, both in the formation of groups to bid on new issues (usually without relationship to past affiliations) and in the tendering of bids. The insistence upon competition in the sale of securities follows the traditional American pattern of the antitrust laws which aim at preserving fair and open competition. The rule has fostered free enterprise and competition in a field which has long been characterized by concentration in a few firms. Over \$6 billion of securities of various classes have been sold pursuant to the competitive bidding rule in the past 10 years.

The Commission, however, has not insisted upon adherence to the rule where special circumstances, either of the issuer or of the market, have made it apparent that a negotiated transaction would be more advantageous and where there was assurance that competitive conditions could be maintained. Almost \$1,500,000,000 of securities have been sold in transactions exempted from the rule.

The competitive bidding rule is primarily responsible for the noticeable decrease in the cost of flotation over the past decade. Its effect extends beyond the limited number of companies subject to the Commission's jurisdiction, for the prices obtained and the underwriting spread paid by these companies set the standard for all security issuances whether or not subject to the rule. The competitive bidding technique for utility securities is now widely accepted: it is regularly required by the Interstate Commerce Commission, the Federal Power Commission, aid by 15 State regulatory commissions. It has been employed, moreover, by a number of utility companies under no regulatory compulsion to do so.

Mr. Speaker, these statements contain nothing but praise for the competitive bidding rule.

Advocates of the proposed change in the rule—chiefly investment bankers and utility executives—will say: "We are not trying to destroy competitive bidding. We merely want to turn this matter over to the State regulatory commissions. It is a matter of States rights. There has been entirely too much interference by the Federal Government in local affairs. The State commissions are most familiar with local conditions and the needs of the utilities registered in and serving the State. We want to restore to management the exercise of judgment and responsibility in corporate affairs."

Oh how these giant utilities and big bankers love the iron hand of State regulation.

The fact of the matter is that mere authorization or approval of a security issue by a State regulatory commission is not a substitute for competitive bidding. Only 15 States require competitive bidding. We know that most State commissions are overworked and undermanned. They do not have the broad experience and information for dealing with security matters as the Securities and Exchange Commission possesses. State commissions are not able to withstand the terrific pressures of these giant utilities and banking interests. Only the Federal Government is capable of standing up to them.

Mr. Speaker, let us not cave in to these pressures at this crucial time. Let us not permit the Securities and Exchange Commission to fell with one swoop a key reform of the Roosevelt administration, a reform which both friend and foe will admit has worked exceedingly well

in eradicating one of the great evils that beset utility financing before the era of Federal public utility regulation.

(Mr. CROSSER asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. CROSSER'S remarks will appear hereafter in the Appendix.]

DIRECT LOAN PROGRAM FOR VETERANS' HOUSING

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend her remarks, and to include extraneous matter.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday the gentleman from Ohio [Mr. AYRES] introduced his bill, H. R. 8152, as follows:

H. R. 8152

A bill to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes

Be it enacted, etc., That title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) By striking out "June 30, 1954" from clause (C) of section 512 (b) and inserting "June 30, 1955" in lieu thereof.

(2) By striking out "June 30, 1954" from the first sentence of section 513 (a) and inserting "June 30, 1955" in lieu thereof.

(3) By striking out "June 30, 1955" from the third sentence of section 513 (c) and inserting "June 30, 1956" in lieu thereof.

(4) By striking out "June 30, 1954" from the first sentence of section 513 (d) and inserting "June 30, 1955" in lieu thereof.

EXPLANATION OF THE BILL

The purpose of this bill is to authorize not to exceed \$100 million additional for the revolving fund for the purpose of making direct home and farmhouse loans to veterans under the Servicemen's Readjustment Act, and to extend the authority for operations to June 30, 1955. The present authority expires June 30, 1954. The maximum amount of any loan is unchanged from the previous limit of \$10,000.

The original authorization extended from July 19, 1950, to June 30, 1951, and empowered the Administrator to make direct loans up to \$150 million—Public Law 475, 81st Congress, approved April 20, 1950. After expiring, at the end of June 30, 1951, the authority was renewed on September 1, 1951, on a revolving fund basis, limited to \$150 million outstanding as of any one time, and extended to June 30, 1953—Public Law 139, 82d Congress. The revolving fund included the unreserved portion of the original \$150 million fund allocation, plus the increment from loan repayments, and the proceeds of sales of direct loans to private investors. The revolving fund was augmented in April 1952 by an additional allocation of up to \$125 million, to be made available by the Secretary of the Treasury in quarterly installments of \$25 million, less the proceeds of direct-loan sales in the preceding quarter—Public Law 325, 82d Congress. Under provisions of Public Law 101, 83d Congress, approved July 1,

1953, the program was continued for 1 year, to June 30, 1954, with up to \$100 million added to the revolving fund, to be made available in quarterly installments, and the maximum interest rate on direct loans was raised to conform to the rate on guaranteed loans.

As stated, Public Law 325 of the 82d Congress granted \$125 million for use in making such loans, but the \$125 million was to be limited to \$25 million for each quarter remaining for the life of the program. This bill maintains the same sort of allocation which was carried forward by Public Law 101 of the 83d Congress. In accordance with previous provisions, the sum of \$25 million will be decreased by such amount as is received by the Veterans' Administration in the previous quarter from the sale of direct loans. In other words, to the extent that the Veterans' Administration is successful in selling previously made mortgages to private lending institutions in each quarter, the requirements for the funds authorized by this law will be proportionately reduced as to the succeeding quarter. Thus, if sufficient sales were effected in each quarter the additional funds would not be required.

It is important to note, however, that the amount of such sales has been negligible in proportion to the amount of lending done by the Veterans' Administration. As of January 31, 1954, 1,709 loans with a principal amount of \$10,890,400, had been sold—less than 4 percent of all direct loans made to date.

Administrative application of the program, which it is assumed will be continued, generally is limited to the designated nonmetropolitan areas of the country, and thus the loans are generally confined to the smaller towns and rural and semirural areas.

It is important to stress that the Veterans' Administration is empowered to make a direct loan only after it is determined that private capital is not available to finance the loan. In practice, under existing law, whenever an eligible veteran makes an application for a direct loan and is found to be basically qualified, he must show that he is unable to obtain a 4½ percent loan from private lending sources in the area. It is only after private sources have proved unavailable that the Veterans' Administration makes the loan in a designated area.

From the beginning of the direct-loan program in July of 1950 to January 31, 1954, a total of 78,269 formal applications for direct loans have been received, of which 27,472 had been withdrawn or denied, 43,198 had resulted in closed and fully disbursed loans, and 7,599 were in process. From the inception of the program, a total of \$376,231,400 had become available in the revolving fund for making direct loans. This sum was derived from the following sources:

Original congressional authorization.....	\$150, 000,000
Subsequent Treasury advances (8 quarterly advances).....	190, 867, 100
Proceeds of direct-loan sales.....	10, 890, 400
Other principal repayments.....	24, 473, 900
Total.....	376, 231, 400

By the end of January 1954, the total amount of direct loans disbursed was \$299,676,000. An additional \$53,596,900 had been committed for loans in process, leaving \$22,958,500 in uncommitted funds available for making additional direct loans. Between February 1, 1954, and June 30, 1954, it is estimated that about \$29,500,000 will become available for making direct loans; \$25 million for Treasury advances, and the proceeds from direct-loan sales; \$4,500,000 from principal repayments. This sum added to the \$22,958,500 in uncommitted funds available for making loans at the end of January 1954, totals about \$52,460,000, enough to provide about 7,500 additional loans during the final 5 months of the presently authorized direct-loan program. As of January 31, 1954, there were about 32,000 veterans with loan applications or requests on file, which funds had not been reserved, and in the 57 Veterans' Administration regional offices which have areas designated as eligible for direct loans, as compared with 26,100 at the end of January a year ago.

As of the end of January 1954, a total of 2,289 direct loans had been terminated; 519 by repayment in full; 1,709 by sale; 29 by foreclosure; 32 by voluntary conveyance of title to property. As of the end of January 1954, there were 1,475 direct loans in default, of which 163 were 4 or more installments in default, or four-tenths of 1 percent of the 40,909 direct loans outstanding on that date. Direct-loan sales during recent months have been almost negligible. However, some gradual acceleration is anticipated in the sales of loans made by the Veterans' Administration after July 1, 1953, at the new 4½-percent-interest rate.

The committee is of the opinion that this program is working extremely well, that the default rate of four-tenths of 1 percent is unusually low, and that the entire program is administered in a very conservative manner. So long as these direct loans are made only after private lending sources are shown to be unavailable to make the loans, the committee believes the Government is fully warranted in providing and authorizing such a program.

BAA! BAA! BRANNAN SHEEP ADOPTED BY BENSON—MATTERS OF INTEREST, ILLEGAL, AND OTHERWISE

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 30 minutes.

(Mr. MULTER asked and was granted permission to revise and extend his remarks.)

Mr. MULTER. Mr. Speaker, let us gather round as the shades of night, I mean shades of campaign knights, fall fast.

The echoes that we hear resounding through the country are not of the campaign oratory. They are the more recent vintage of campaign promises crashing against the mountain of non-performance.

Remember how a very distinguished candidate, on September 6, 1952, at Kasson, Minn., said, "We can and will find a sound way to do the job without indulging in the moral bankruptcy of the Brannan plan"? More recently we heard this same Brannan plan described by the same person, now our distinguished President, as follows: It "will assure equitable returns to growers and encourage efficient production and marketing. It should require a minimum of governmental interference with both producers and processors, entail a minimum of cost to taxpayers and consumers; and align itself compatibly with overall farm and international trade policies," following which message to the Congress came a press conference on January 11, 1954, with the distinguished Secretary of Agriculture, in which Mr. Benson said:

We think this will cost no more money, probably less money, be much simpler to operate, and will permit our own wool to move into consumption and not into Government storage at very heavy expense for storage and some depreciation and loss.

To be more specific, on that same occasion Mr. Benson also said:

It is recommended that (1) prices of domestically produced wool be permitted to seek their level in the market, competing with other fibers and with imported wool (and) (2) direct payments be made to domestic producers sufficient when added to the average market price for the season, to raise the average return per pound to 90 percent of parity.

Well, it now looks as though we are going places. Wool is a nonperishable. It does not turn rancid. It can be stored indefinitely. If that principle is good for such a commodity as wool, how much better it must be for the dairy products, and particularly for butter. Butter cannot be stored indefinitely. It is perishable. It will turn rancid. If not used within a reasonable time it must be dumped. The same consumers' tax money, which puts the wool in storage, puts the butter in storage. Shortly now they are going to get the same benefit with reference to butter and other dairy products as Secretary Benson indicates they will get from wool?

Well, Mr. Consumer, I regret to tell you that there must be some kind of a difference. I cannot find the distinction. You are going to continue to pay for the dairy products with your tax money, and continue to pay for them again at higher prices. The Department of Agriculture will continue its studies and continue its clinics, and continue to get advice from the farmers and the processors, and continue to pat all of them on the back with a "you have got a good plan," and continue to sit by supinely and do nothing about it.

No, I am wrong. The Department will continue to buy more commodities and more warehouse space, and fill the latter with the former while continuing to orate that it will deal "realistically" with the matter and "not just store it away in warehouses where with each tick of the clock the damage of spoilage grows, the cost of storage mounts, and the depressing effect on markets increases."

Beautiful words. Let us compare them with practice.

Shortly before the voters decreed a change of administration we had on hand some 11 million pounds of butter. Today the Government has in storage close to 280 million pounds of butter.

It was not so long ago the Committee on Banking and Currency was told by the farmers of the country that the more they produced the lower the prices to the consumer.

Someone has rewritten the law of supply and demand.

While butter was selling at 80 cents a pound to the consumer, Secretary Benson managed to have the Commodity Credit Corporation acquire about 140 million pounds of butter. With the price falling until it dropped to 75 cents a pound and less to the consumer, they have now managed to accumulate close to 280 million pounds. And while all of this is happening we are told that butter has been priced out of the market.

Confronted with that kind of a situation I should think that the Secretary of Agriculture would be ashamed to come before the committee and ask for more money with which to carry on that kind of a practice. Nevertheless, he has done so. Last week he asked that the authority of the Commodity Credit Corporation be increased to \$8½ billion from \$6,750,000,000. An increase of one and three-fourths billion dollars. The bill to accomplish that increase, as introduced, carried an effective date of July 1, 1954. At the request of the Secretary of Agriculture the bill has been amended so that the increase will become effective immediately upon enactment of the bill.

The cotton and tobacco programs which are operated by the Commodity Credit Corporation have been managed successfully with a profit to the Government. Please, will someone tell us what is wrong with the rest of the price-support program.

There is no doubt that if this program is to be continued they need the money immediately. In fact, they needed it last year.

Let me show you how Secretary Benson obtained for this Government corporation over \$1 billion and note particularly how expensive it was to the taxpayers of our country to get the money in a manner which I now very deliberately state was accomplished in violation of law.

Existing law, Title 15, United States Code, section 713a-714, as amended, provides the Commodity Credit Corporation may acquire the funds with which it operates by obligations issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof. The obligations I am about to refer to are designated as certificates of interest. They were not issued with the formal approval of the Treasury Department, obtained in advance. They

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 22, 1954

For actions of March 19, 1954

83rd-2nd, No. 52

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House committee reported 3rd supplemental appropriation bill. Senate debated Hawaii-Alaska statehood bill. Senate committees reported buildings-purchase and tax-reduction bills. Sen. Mundt introduced and discussed bill authorizing GSA to operate motor vehicle pools.

HOUSE

1. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1954, was reported by the Appropriations Committee. The bill includes the following items:

Increase by \$10,000,000 (from \$40,000,000 to \$50,000,000) the amount for emergency feed assistance to farmers and ranchers in designated drought areas, in order to reimburse the President's Disaster Relief Fund.

Additional amount for fighting forest fires, \$4,500,000.

Increase in CCC administrative-expense limitation by \$2,000,000 (budget estimate was \$3,000,000).

Farm Credit Administration, \$120,000 (budget estimate was \$140,000) for expenses of the 12 members of the new Board, establishment of a legal division, and certain administrative and supervisory costs formerly carried by the Cooperative Research and Service Division.

Excerpts from the committee report:

Drought relief. "Language recommended subsequent to receipt of House Document No. 330, which would make the Department's Disaster Loan Revolving Fund available to furnish assistance to States and local governments for a program of wind erosion control, is not recommended. The committee feels that further consideration must be given to this proposal, since it goes far beyond the original program proposed."

Commodity Credit Corporation. "The committee recognizes the additional workload, but feels that the \$2,000,000 recommended will amply meet the situation."

Farm Credit Administration. "The Committee...does not feel that the Farm Credit Administration is justified in carrying the same administrative and supervisory force in existence at the time it was located in the Department of Agriculture, since its responsibilities have been reduced by the loss of the

cooperative research function."

Weather control. "The request of \$150,000 for the Advisory Committee on Weather Control to study and evaluate public and private experiments in weather modification has not been allowed."

2. FARM LOANS. The Rules Committee approved a resolution for consideration of H. R. 8152, to continue VA's direct home and farmhouse loan authority until June 30, 1955 (p. D304).

3. ELECTRIFICATION. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 8328, authorizing transmission and disposition of electric energy generated at Falcon Dam on the Rio Grande (p. D303).

SENATE

4. STATEHOOD. Continued debate on S. 49, the Hawaii-Alaska statehood bill (pp. 3378-90).

5. BUILDINGS. The Public Works Committee reported with amendments H. R. 6342, to amend the Public Buildings Act of 1949 to authorize GSA to acquire title to real property and to provide for construction of certain public buildings thereon by executing purchase contracts (S. Rept. 1084)(pp. 3370-1).

6. TAXATION. The Finance Committee reported with amendments H. R. 8224, the excise tax reduction bill (S. Rept. 1085)(p. 3371).

7. DAIRY PRICE SUPPORTS. Sen. Wiley inserted and commended a telegram from farmers opposing reduction in dairy price supports (p. 3370).

8. BUDGETING. Received a USDA report on an overallotment of an appropriation in PMA (pp. 3369-70).

9. RECESSED until Mon., Mar. 22 (p. 3390).

BILL INTRODUCED

10. VEHICLES. S. 3155, by Sen. Mundt, to authorize GSA to establish and operate motor-vehicle pools and systems, to direct GSA to report on the unauthorized use of Government motor vehicles, to authorize the Civil Service Commission to regulate operators of Government-owned motor vehicles, etc.; to Government Operations Committee (p. 3371). Remarks of author (pp. 3376-8).

ITEMS IN APPENDIX

11. SURPLUS COMMODITIES. Extension of remarks of Sen. Wiley saying our surplus foods are "a great national asset" and including a newspaper editorial and a letter on this subject (p. A2127).

12. PRICE SUPPORTS. Rep. Rees inserted Frank Garrett's statement that "all segments of our economy must flex together" and recommending production-control legislation (pp. A2128-30).

Rep. Gamble inserted Russell J. Davis' article recommending that each farm-product industry formulate plans for consideration by USDA and Congress (pp. A2133-6).

13. ST. LAWRENCE SEAWAY. Sen. Flanders inserted a newspaper editorial commending Sen. Wiley for his efforts on behalf of this project (p. A2126).

CONSIDERATION OF H. R. 8152

MARCH 19, 1954.—Referred to the House Calendar and ordered to be printed

Mr. BROWN of Ohio, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 480]

The Committee on Rules, having had under consideration House Resolution 480, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 1 65

83^D CONGRESS
2^D SESSION

H. RES. 480

[Report No. 1374]

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 1954

Mr. BROWN of Ohio, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 8152) to extend to
5 June 30, 1955, the direct home and farmhouse loan authority
6 of the Administrator of Veterans' Affairs under title III
7 of the Servicemen's Readjustment Act of 1944, as amended,
8 to make additional funds available therefor, and for other
9 purposes, and all points of order against said bill are hereby
10 waived. After general debate, which shall be confined to
11 the bill and continue not to exceed one hour, to be equally
12 divided and controlled by the chairman and ranking minority

1 member of the Committee on Veterans' Affairs, the bill shall
2 be read for amendment under the five-minute rule. At the
3 conclusion of the consideration of the bill for amendment,
4 the Committee shall rise and report the bill to the House with
5 such amendments as may have been adopted and the previous
6 question shall be considered as ordered on the bill and amend-
7 ments thereto to final passage without intervening motion
8 except one motion to recommit.

83^d CONGRESS
2^d Session

H. RES. 480

[Report No. 1374]

RESOLUTION

Providing for the consideration of H. R. 8152, a bill to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

By Mr. Brown of Ohio

MARCH 19, 1954

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 23, 1954
For actions of March 22, 1954
83rd-2nd, No. 53

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HIGHLIGHTS: House committees reported bills to sell FPMC assets to land banks and to authorize court review of contracts. Rep. Johnson, Wis., spoke against reduction in dairy price supports. Rep. Angell recommended distribution of surplus commodities to needy. Sen. Humphrey spoke against reduction in dairy price supports. Sen. Watkins praised President's support of upper Colo. River storage project. Rep. Cooley introduced bill to create Agricultural Foreign Service. Rep. Dawson inserted and commended Secretary's speech on price supports.

HOUSE

1. FARM LOANS. The Agriculture Committee reported without amendment H. R. 6711, to authorize the Federal land banks to make a bulk purchase of certain remaining assets of the Federal Farm Mortgage Corporation (H. Rept. 1378)(p. 3463).
The Rules Committee reported a resolution for consideration of H. R. 8152, to continue VA's direct home and farmhouse loan authority (p. 3463).
2. PURCHASING. The Judiciary Committee reported with amendment S. 24, to permit court review of decisions of Government contracting officers involving questions of fact arising under Government contracts in which fraud is alleged (H. Rept. 1380)(p. 3463).
3. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1954 (see Digest 52) is H. R. 8481 (H. Rept. 1372)(p. 3463).
4. DAIRY PRICE SUPPORTS. Rep. Johnson, Wis., spoke against reduction in dairy price supports (p. 3444).
5. SURPLUS COMMODITIES. Rep. Angell recommended distribution of surplus commodities to the needy (pp. 3461-2).
6. PERSONNEL. Both Houses received the annual report of the Civil Service Commission (H. Doc. 261)(pp. 3391-2, 3446).

SENATE

7. PRICE SUPPORTS. Sen. Humphrey criticized the reduction of dairy price supports, urged passage of S. 2962 to limit such reductions to 5% annually, claimed an "apparent tendency...to avert a showdown" on S. 2911 (the wool bill) by deferring action thereon after he submitted his amendment thereto to limit dairy-support reductions, and inserted various editorials and communications favoring present support levels for dairy and other farm products (pp. 3437-42).
Sen. Thye inserted a Glencoe, Minn., Butter and Produce Association resolution opposing reduction in dairy supports (p. 3393).
8. RECLAMATION; ELECTRIFICATION... Sen. Watkins discussed the upper Colorado River storage project, praised the President's support of the project, and claimed this action answers critics of the administration's program for reclamation, water, and power development (pp. 3431-7).
9. ALASKA STATEHOOD. Sen. Anderson inserted statements favoring Alaska statehood (pp. 3397-8).
10. FOREIGN TRADE. Sen. Wiley inserted a statement from the Appleton, Wis., Chamber of Commerce favoring protective tariffs (p. 3396).
11. FARM PROGRAM. Sen. Carlson inserted a number of Farmers Union Jobbing Assn. resolutions including resolutions favoring strong cooperatives, an aggressive research program, completion of the REA electrification and telephone programs, extension of the present price-support program for 2 years; opposing increase in interest rate on CCC loans; and urging Congress to watch "any action that would retard an adequate...soil conservation program" as a result of the recent USDA reorganization (pp. 3393-4).

BILLS INTRODUCED

12. FARM LOANS. H. R. 8486, by Rep. Edmondson, to amend Sec. 502 of the Servicemen's Readjustment Act of 1944 so as to increase the maximum amount in which farm realty loans may be guaranteed thereunder; to Veterans' Affairs Committee (p. 3463).
13. PROPERTY. H. R. 8492, by Rep. Tollefson, to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls; to Government Operations Committee (p. 3464).
14. DAIRY INDUSTRY. H. R. 8493, by Rep. Westland, to provide an adequate, balanced, and orderly flow of milk and dairy products in interstate and foreign commerce; to stabilize prices of milk and dairy products; to impose a stabilization fee on the marketing of milk and butterfat; to Agriculture Committee (p. 3464).
Remarks of author (p. A2146).
15. FARM LABOR. H. R. 8494, by Rep. Yorty, to extend the Fair Labor Standards Act to certain farm labor and to liberalize it in various respects; to Education and Labor Committee (p. 3464). Remarks of author (p. A2147).
16. AGRICULTURAL FOREIGN SERVICE. H. R. 8495, by Rep. Cooley, to authorize an Agricultural Foreign Service in this Department, etc.; to Agriculture Committee (p. 3464).
17. RECLAMATION. H. R. 8498, by Rep. Phillips, authorizing works to reestablish reclamation facilities for Palo Verde District, Calif.; to Interior and

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House passed VA direct-loans bill. Senate debated excise-tax bill. Reps. Johnson of Wis., Edmondson, and McCormack defended 90% dairy price supports. Rep. Sullivan requested food-stamp plan for surpluses.

HOUSE

1. FARM LOANS. Passed without amendment H. R. 8152, to extend for 1 year (until June 30, 1955) the Veterans' Administration's direct loan program for homes and farmhouses, and to authorize appropriation of \$100,000,000 therefor (pp. 3571-81).
2. DAIRY PRICE SUPPORTS. Rep. Johnson, Wis., claimed "dairy farmers have not been Government wards" (pp. 3567-8).
Reps. Edmondson and McCormack commended Rep. Johnson, Wis., for his efforts to retain 90% dairy supports (pp. 3568, 3570).
3. BUDGETING. Rep. Angell commended the administration for its economy efforts and inserted a letter from the Comptroller General reporting on GAO accomplishments (pp. 3568-70).
The Government Operations Committee submitted a report on the use of non-appropriated funds by executive agencies (H. Rept. 1387) (p. 3585).

SENATE

4. TAXATION. Began debate on H. R. 8224, the excise-tax reduction bill (pp. 3535-65).
5. PRICE SUPPORTS. Sen. Humphrey reported that Montevideo, Minn., businessmen have signed a petition for continuation of 90% supports (p. 3528).
6. ANIMAL DISEASES. Sen. Humphrey inserted a statement by the Dairy Products and Livestock Commission, Minn., favoring "sufficient funds" for indemnity payments in connection with tuberculosis and brucellosis in cattle (p. 3528).

BILLS INTRODUCED

7. PUBLIC WORKS. H. R. 8529, by Rep. Chudoff, and H. R. 8544, by Rep. Granahan, to provide Federal aid for public works; to Public Works Committee (p. 3586).
8. BUILDINGS. H. R. 8530, by Rep. Church, to amend the act authorizing blind-persons stands in Federal buildings; to Education and Labor Committee (p. 3586).
9. FARM LOANS. H. R. 8534, by Rep. Mills, to amend Sec. 502 of the Servicemen's Readjustment Act so as to increase the amount in which farm realty loans may be made; to Veterans' Affairs Committee (p. 3586).
10. DAIRY INDUSTRY. H. R. 8535, by Rep. O'Brien, N. Y., to establish a USDA Milk Publicity Bureau; to Agriculture Committee (p. 3586).
11. BUDGETING. H. R. 8545, by Rep. Gwinn, to limit taxing and spending; to Ways and Means Committee (p. 3586).
12. PERSONNEL. H. R. 8547, by Rep. Hosmer, to deny Federal retirement benefits to persons convicted of felonies involving moral turpitude; to Post Office and Civil Service Committee (p. 3586).

COMMITTEE HEARINGS RELEASED BY GPO

13. FARM PROGRAM, Long Range, Part 16. H. Agriculture Committee.
14. INDEPENDENT OFFICES APPROPRIATIONS, 1955, Part 2. H. Appropriations Committee.
15. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1954. H. Appropriations Committee.

ITEMS IN APPENDIX

16. SURPLUS COMMODITIES. Extension of remarks of Rep. Sullivan favoring his bill, H. R. 7870, to distribute surpluses through a food-stamp plan (pp. A2239-40).
17. PRICE SUPPORTS. Rep. Carrigg inserted an Eastern Milk Producers Assn. statement discussing the relative importance of the dairy industry, claiming that dairy-price-support losses have been relatively low, and recommending a permanent dairy program "along the lines of the proposed wool program" (pp. A2234-5).
Rep. Bonin inserted the results of a poll of his constituents which reflected that only 29% favored "price supports and subsidies for farmers" (p. A2239).
18. PERSONNEL. Extension of remarks of Rep. Yorty favoring an increase in pay for Federal classified employees (pp. A2268-9).
19. ST. LAWRENCE SEAWAY. Sen. Wiley inserted a number of newspaper articles favoring this project (pp. A2244-5).
20. ECONOMIC REPORT. Rep. Multer inserted an article by Sen. Douglas and Rep. Bolling criticizing the President's Economic Report as "inadequate in scope and wrong in the remedies it proposes" and recommending measures to improve the Nation's economy, including an "energetic" program to remove farm surpluses without disrupting domestic or foreign markets (pp. A2265-7).

COMMITTEE HEARING ANNOUNCEMENTS FOR MAR. 25: Price supports, H. Agriculture (grain industry to testify). International Sugar Agreement, S. Foreign Relations (exec). USDA appropriations for 1955, S. Appropriations.

all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill H. R. 8152, which is about to be considered by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONTINUATION OF DIRECT LOAN PROGRAM TO JUNE 30, 1955

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 480.

The Clerk read the House resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH].

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 39]

Albert	Graham	Mason
Allen, Ill.	Hardy	Miller, N. Y.
Bentley	Harrison, Va.	Morgan
Bolling	Hart	O'Konski
Boykin	Heller	Patten
Bramblett	Hillings	Powell
Brown, Ohio	Hoffman, Ill.	Regan
Busbey	Holfield	Rivers
Celler	Holt	Roberts
Chelf	Holtzman	Rodino
Clardy	Hope	Smith, Kans.
Colmer	Ikard	Sutton
Coudert	Jensen	Thompson, La.
Dingell	Kelley, Pa.	Velde
Ellsworth	Kersten, Wis.	Weichel
Evins	King, Pa.	Westland
Fernandez	Lyle	Wilson, Tex.
Fogarty	McMillan	
Gavin	Martin, Iowa	

The SPEAKER. Three hundred and seventy-three Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONTINUATION OF DIRECT LOAN PROGRAM TO JUNE 30, 1955

Mr. NICHOLSON. Mr. Speaker, this resolution makes in order the bill (H. R. 8152) to extend for 1 year the time within which veterans can get loans directly from the Administration, provided they cannot make their loan through private enterprise. It is an open rule; all points of order are waived.

This about sets forth the purpose of the bill. The law already is on the statute books. All the bill does is to extend the time to 1955.

Mr. SMITH of Virginia. Mr. Speaker, I yield 7 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Speaker, I want enthusiastically to endorse H. R. 8152, which is a bill to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs, and to make additional funds available therefor, and for other purposes.

Mr. Speaker, I want at this time to congratulate the gracious chairman of the Committee on Veterans' Affairs and to point out to the House that I think perhaps it is the only committee of the House in which there is an even division of both Democrats and Republicans. This gives you some idea of the unanimity with which we agreed upon this particular bill. It has the unanimous support of our committee.

I wanted particularly to take this time to talk to you about the value of this great program to my own particular district.

I come from the Eighth Congressional District of Florida, which is a rural district. There are 15 counties in the congressional district that I represent, and in a majority of these counties we find only one bank or lending institution. The limited capital available for loans in these banks is generally not enough to meet all the needs of our farmers and small-business men for the purposes of general farming and business loans. The direct loan program to our veterans, which is to be extended in H. R. 8152, is of great value to the people in my district because we are far removed from the great lending institutions, and it is very difficult to find private capital for the construction of GI homes. As we know, this great direct loan program is available to our veterans only if they are incapable of getting the same loan through the resources of a private institution. In passing, I want to praise the character of our veterans who have borrowed money through the direct loan program. As of the end of December 1953, there were 1,284 direct loans in default, of which only 158 were 4 or more installments in default; or four-tenths of 1 percent of the 39,904 direct loans outstanding on that date. As I understand, there have only been 61 foreclosures in the whole direct home loan program. Surely the veterans of our country who are eligible for these direct loans have proved themselves to be superior credit risks.

I want to state specifically the facts about the operation of this direct home loan program in the State of Florida. There are two Veterans' Administration

offices in Florida that take applications for the direct loans. They are located in Miami and Jacksonville. As of January 31, 1954, the total number of applications received was 268 in Miami, and 1,375 in Jacksonville. Of this total, the number rejected or withdrawn was 86 at Miami, and 566 at Jacksonville. The number of loans fully disbursed was 112 at Miami, at 4-percent interest, and 2 at 4½-percent interest. At Jacksonville the number of loans totally disbursed was 665 at 4-percent interest, and 26 at 4½-percent interest.

As of January 31, 1954, the total amount of money that had been allotted to the Miami office was \$1,874,275, and to the Jacksonville office, \$6,624,009. At Miami, of the total of 114 loans outstanding as of March 12, 1954, there were only 3 loans in default, and in all 3 instances they were in default for a period of 3 months or less. At the Jacksonville office on the same date, we find that out of 670 loans outstanding, there are only 12 in default, and all 12 are for 3 months or less. Neither of our offices in Florida has ever found it necessary to foreclose or voluntarily convey a GI mortgage.

All last year in our Committee on Veterans' Affairs we wondered why, with this wonderful credit record, our veterans were still having great difficulty in finding loans to finance their homes. Surely the great lending institutions of our country could well afford, despite perhaps some of the extra red tape involved, to go into the rural areas and make loans available to our veterans. Despite the fact that the interest rate has been increased now to 4½ percent and despite the fact that home construction is one of the greatest factors in boosting our economic prosperity, we still find thousands of GI's who are good credit risks but who find it impossible to get money to build their homes.

To emphasize the need for the continuation of this direct-loan program, I should like to emphasize the Florida situation as of March 12, 1954. In the Miami office, there were 500 applications pending, and of this number, the VA officials have estimated that at least 300 of these applications could be approved immediately if funds were available. At the same date, in the Jacksonville office, there were 987 applications pending, and of this number, it has been estimated that 592 applications could be approved immediately if the funds were available.

Mr. Speaker, that means that in Florida there are 892 veterans at the present time with families, good credit risks, who want to build a home, but who cannot build one because financing is not available. I cannot stress too much the challenge to our great private lending institutions to look into this field of direct loans for veterans who live in the rural areas. Someone has said that when the conscience of the people does not bring forth proper action, in a democracy the people call on the Government to provide that action. Why does the Government have to stay in this business of direct loans to veterans when, surely, this guaranty program is a splendid field of private capital venture? If anyone would criticize the Federal Government's participation in this program, I

think surely the answer is that the Government will have to continue participating in this program so long as worthy veterans who are good credit risks and who want to build homes cannot find it possible to interest private capital in making the necessary money available to them.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time on this side. I know of no opposition to either the rule or the bill.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8152, with Mr. SADLAK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was given permission to extend his remarks in the RECORD at this point.)

Mr. HAND. Mr. Chairman, I am herewith including in the CONGRESSIONAL RECORD a recent radio address made by me on certain tariff problems as they affect our industries in southern New Jersey. The address follows:

GLASS, TARIFF, AND SOUTH JERSEY

During the past several days I have had the opportunity to study the report of the Commission on Foreign Economic Policy, known as the Randall report. I found the report a maze of contradictions and dissents. Its conclusions point to the need for further protecting American industry, farmers, and workers, while its majority recommendations urge the lowering of our protection against a flood of low-cost competitive imports.

In the limited time available to me, I shall not try to comment on the entire report. However, I am deeply concerned with one proposal that came out of the Commission's study—the proposal that certain expendable United States industries should surrender to import competition and shift their production and their workers into other fields.

Is it the intent of those making this proposal that the American glassware industry should be considered in this expendable category? True, it is a relatively small industry. But this industry and its workers have equal competitive rights with all industry.

It is essential to the national security. During World War II the Nation turned to the glassware industry to meet the sudden vital need for electronic glass—for radio, radar, and television tubes, and for medical and other equipment. It is obvious that

the growing necessity for electronics in defense would make these products even more vital in the event of national emergency.

What has already happened in this industry as a result of low-cost foreign imports? Imports now take up 40 percent of the handmade United States market. The American industry has shrunk by half just since 1946, and has no export market. The uncertainties created by further tariff reductions might mean ruin for the industry.

The big advantage to foreign producers in the glassware industry, as in many other industries, lies in wages. The average wage in the United States is \$1.65 an hour. This is 3 to 4 times the average wage for similar work in England, Germany, Italy, and Japan.

The handmaking of glassware represents one of the Nation's oldest and most highly skilled trades. It requires several years of apprenticeship to learn techniques which require the highest type of craftsmanship. The average earnings of glassblowers today range from \$100 to \$150 a week. These workers have acquired their skills through years of training and experience. They cannot be expected to shift suddenly to new jobs, learn new trades, accept reduced wages, even face unemployment—and give up high-earning power and a good standard of living gained for themselves and their families through their own skill and initiative.

The future of the industry is a matter of concern not only to the present workers. It presents a question to many young people who now see in the craft not only a means of employment at good wages but a source of personal satisfaction in their work, flowing from a deep human need for creative expression. Handmade glassware is a product of creative art. The satisfaction of the creator becomes part of the satisfaction of the owner.

A short time ago, Mr. Speaker, I saw in the newspaper a picture of a 12½-inch cup vase, presented to the President by members of his Cabinet on the first anniversary of his Presidency of our great Nation. This beautiful piece of glassware is a product of our American industry, created by members of the American Flint Glass Workers Union. But it symbolizes more than a beautiful piece of glassware. It is part of our American cultural heritage.

We must not brush aside the creative genius, the investment of lifetime skills and management experience represented in the glassware industry. I will not brush aside the jobs, the homes, and the lives of my people engaged in making glass. We must not sacrifice these to cheap foreign imports. We must instead take steps to preserve and nourish this essential domestic industry—vital to our economic diversity, our cultural growth, and to our national security.

I have talked at some length about glass because this large and important industry in our area is now and will be threatened by free-trade policies. Handmade glass is perhaps more seriously affected, but foreign imports are beginning to threaten plate glass and window glass and, if I read the signs correctly, it is only a matter of time before the entire glass industry will be involved in competition with the products of poorly paid labor in Europe and Asia.

It is a matter of common knowledge what is happening, and what is going to happen to shoes, watches, and numerous other products. In our own area, imports of textiles and fabrics impose an impossible burden on local manufacturers. For example, a manufacturer of fabrics in our district recently showed me samples of imports from Europe which are being brought in at a selling price, which is far less than his actual cost of production. He cannot pay the people who work for him four times as much as the European worker gets and successfully compete. That is as simple as A B C.

Yesterday, I had a letter from an old-fashioned firm manufacturing machinery.

Just recently this firm had lost an order for a \$12,000 machine due to a 40 percent more favorable price from a foreign competitor. The foreign price was less than the cost to produce in this country.

To go outside of our own area for a moment, one of the largest American manufacturers of heavy electrical machinery, employing in this branch of their business alone some 25,000 skilled and highly paid workmen, has recently lost \$8 million in orders from the United States Government because of lower bids by foreign competitors. I have had some experience with this in the work of my own committee, where huge generators required in hydroelectric installations built by the Government have been purchased from abroad rather than from our own companies employing our own people.

The problem of the low-paid worker is intensified by the fact that the foreign plants are frequently subsidized by their governments, and what is even worse, as a result of our foreign-aid program, are in effect subsidized by this Government. Instances can be multiplied where the United States has actually furnished without cost the machinery now being used to beat down competition from American firms.

No matter how well meaning our efforts are to rehabilitate the rest of the world, the fact is that we are doing it at the expense of many local small businesses. When these small businesses suffer a reduction in their sales because of this situation, or when they are driven to the wall as inevitably they will be—the employees are going to have to find other jobs. I warn the workmen and workingwomen of our area that in many industries their livelihood is faced with the increasing danger of competition from low-paid foreign workers. They had better stop and realize that reciprocal trade is very definitely not reciprocal as far as they are concerned.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 5 minutes, and yield the balance of my time to the chairman of the subcommittee having this legislation under consideration, withholding 2 minutes before the close of debate.

Mr. Chairman, the purpose of this bill is to authorize not to exceed \$100 million additional for the revolving fund for the purpose of making direct home and farmhouse loans to veterans under the Servicemen's Readjustment Act, and to extend the authority for operations to June 30, 1955. The present authority expires June 30, 1954. The maximum amount of any loan is unchanged from the previous limit of \$10,000 though the average amount is \$6,890, and as you know, the loans are limited to nonmetropolitan areas.

This program has worked extremely well and it is important to point out in the very beginning that at the present time the default rate is only four-tenths of 1 percent, which I think we can agree is a very, very small rate.

It is important that the Congress and the country know, too, that this is a program on which there is definitely accruing a profit to the Treasury. We hear much about the cost of the veterans' program. Here is a veterans' program which is making a profit for the taxpayers. On an investment of approximately \$350 million, assuming a loss ratio of approximately 5 percent, assuming further the loans will be held to maturity, it is estimated there will be a profit of approximately 20 percent on this amount, or \$70 million to the

Treasury. This is to be based on an average payment to the Treasury of 2½ percent for the money which the veteran now pays 4½ percent, formerly 4 percent. If the loans are repaid earlier, say in 12 years, there would still be a profit of somewhere between forty-five and fifty millions of dollars. This is a real contribution, not only to the welfare of the country but to the Treasury of the United States.

The original authorization came in the 81st Congress and extended to June 30, 1951, when \$150 million had been used. This was renewed on September 1, 1951, on a revolving fund basis with the provision that \$25 million would be added each quarter less proceeds of direct loans sales in the preceding quarter. Last year we extended this same law, \$25 million quarterly limitation, until July 1, 1954. Incidentally, this idea of a quarterly allocation, less sales, originated with the gentleman from Indiana [Mr. ADAIR]. This feature has worked well.

It cannot be stressed too often that the Veterans' Administration is empowered

to make a direct loan only after it is determined that private capital is not available. In practice, under existing law, whenever an eligible veteran makes an application for direct loan and is found to be basically qualified, he must show that he is unable to obtain a 4½-percent loan from private lending sources in the area. It is only after private sources have proved unavailable that the Veterans' Administration makes a loan in a designated area. As of January 31, 1954, 43,198 loans had been made in the average amount of \$6,890 each. Five hundred and nineteen of these loans have been repaid in full; 61 have been foreclosed or voluntarily curtailed; and only 163 were in default, or four-tenths of 1 percent.

The need for this legislation is indicated by the Veterans' Administration report which, among other things, points out:

A further improvement in the supply of private funds for GI loans in 1954 appears likely but the possibility is remote that such funds will become available to any considerable extent in the rural areas where private capital has never been generally

available for financing loans to veterans. This, together with the fact that the magnitude of the waiting list of veterans applying for direct loans in eligible areas has increased during the past year suggests that there is a continuing need for direct loans.

The Veterans' Administration has also pointed out that—

It would appear that private lending sources are not yet able to supply funds for loans to veterans in most rural or semirural areas at interest rates comparable to that for VA guaranteed loans.

The Veterans' Administration has also recommended that an extension of at least 1 year be voted.

Because of the excellent history enjoyed by this program, and the conservative management which has been given since the date of its inception, I hope that the House will speedily pass this bill and that we may see it enacted into law before much more time has elapsed.

Under unanimous consent, Mr. Chairman, I insert at this point as a part of my remarks the latest statistics on the direct loan program showing the amounts of loans in each of the individual States:

Direct loan program as of Jan. 31, 1954

Location	Fully disbursed loans		Terminated loans				Loans out-stand- ing	Loans in default			Applica- tions in process— funds reserved	Applica- tions awaiting process- ing and veterans on wait- ing list ¹
	Number	Average amount	Sold		Repaid in full	Fore- closed or volun- tarily con- veyed		Total	4 or more install- ments			
			Number	Percent of fully disbursed loans					Number	Percent of out- standing loans		
Total.....	43,198	\$6,890	1,709	4.0	519	61	40,909	1,475	163	.4	7,042	² 32,438
Alabama: Montgomery.....	1,745	7,284	1	.1	14	2	1,728	79	9	.5	209	1,378
Alaska: Juneau.....	436	8,778	0		9	1	426				41	92
Arizona: Phoenix.....	210	7,012	3	1.4	2	0	205	4	0		40	384
Arkansas: Little Rock.....	1,090	6,539	19	1.7	11	0	1,060	22	2	.2	116	577
California:												
Los Angeles.....	219	8,154	11	5.0	2	0	206	5	1	.5	55	10
San Diego.....	243	8,396	0		3	2	238	3	0		36	0
San Francisco.....	573	8,869	0		7	0	566	15	2	.4	131	426
Colorado: Denver.....	626	7,066	19	3.0	10	4	593	18	1	.2	57	² 439
Connecticut: Hartford ³												
Delaware: Wilmington ³												
District of Columbia: Washington ³												
Florida:												
Miami.....	114	8,792	0		0	0	114	3	0		66	449
Pass-A-Grille.....	691	7,705	15	2.2	6	0	670	12	0		109	² 741
Georgia: Atlanta.....	1,635	6,739	3	.2	17	1	1,614	141	6	.4	219	2,851
Hawaii: Honolulu ³												
Idaho: Boise.....	361	7,318	77	21.3	1	0	283	4	2	.7	11	107
Illinois: Chicago.....	1,473	6,880	155	10.5	11	4	1,303	62	5	.4	565	1,588
Indiana: Indianapolis.....	1,546	5,936	146	9.4	21	1	1,378	52	10	.7	111	1,191
Iowa: Des Moines.....	1,039	6,417	70	6.7	15	0	954	24	1	.1	177	109
Kansas: Wichita.....	475	6,868	135	28.4	3	0	337	12	1	.3	62	231
Kentucky: Louisville.....	2,682	6,347	2	.1	30	10	2,640	62	7	.3	298	² 1,573
Louisiana:												
New Orleans.....	859	7,343	0		11	0	848	7	0		127	1,084
Shreveport.....	610	6,972	0		9	1	600	23	3	.5	90	416
Maine: Togus.....	457	5,392	141	30.9	10	1	305	7	0		73	55
Maryland: Baltimore.....	468	7,567	29	6.2	9	1	429	16	4	.9	36	150
Massachusetts: Boston ²												
Michigan: Detroit.....	1,043	7,009	18	1.7	4	0	1,021	44	1	.1	353	² 100
Minnesota: St. Paul.....	867	6,714	5	.6	10	3	849	47	4	.5	93	70
Mississippi: Jackson.....	1,672	7,331	18	1.1	9	3	1,642	53	7	.4	172	² 1,359
Missouri:												
Kansas City.....	603	6,697	6	1.0	10	0	587	15	0		79	² 865
St. Louis.....	866	6,533	7	.8	11	0	848	16	1	.1	174	471
Montana: Fort Harrison.....	847	7,034	52	6.1	21	1	773	9	0		80	504
Nebraska: Lincoln.....	551	6,813	21	3.8	15	0	515	0	0		49	70
Nevada: Reno.....	229	8,164	0		3	0	226	2	0		49	230
New Hampshire: Manchester ³												
New Jersey: Newark ³												
New Mexico: Albuquerque.....	528	7,583	0		2	0	526	7	1	.2	71	409
New York:												
Albany.....	134	6,536	2	1.5	2	0	130	6	2	1.5	37	0
Buffalo.....	141	6,122	31	22.0	0	1	109	1	0		8	0
New York ³												
Syracuse.....	92	6,271	41	44.6	0	0	51	1	1	2.0	3	1
North Carolina: Winston-Salem.....	1,735	7,135	9	.5	9	2	1,715	72	1	.1	552	1,306
North Dakota: Fargo.....	626	5,903	77	12.3	16	2	531	15	2	.4	96	0
Ohio:												
Cincinnati.....	892	6,346	75	8.4	12	0	805	21	0		130	1,083
Cleveland.....	842	7,189	20	2.3	7	0	815	23	5	.6	99	1,546

Footnotes at end of table.

Direct loan program as of Jan. 31, 1954—Continued

Location	Fully disbursed loans		Terminated loans				Loans out-standing	Loans in default			Applica-tions in process—funds reserved	Applica-tions awaiting process-ing and veterans on wait-ing list ¹
	Number	Average amount	Sold		Repaid in full	Fore-closed or volun-tarily con-veyed		Total	4 or more install-ments			
			Number	Percent of fully disbursed loans					Number	Percent of out-standing loans		
Oklahoma:												
Muskogee.....	394	\$6,231	0		6	0	388	2	0		29	0
Oklahoma City.....	297	6,679	13	4.4	1	0	283	4	0		49	0
Oregon: Portland.....	311	7,048	21	6.8	2	0	288	13	2	.7	57	28
Pennsylvania:												
Philadelphia ³	831	6,724	60	7.2	10	0	761	24	3	.4	275	783
Pittsburgh.....	1,185	6,562	66	5.6	26	2	1,091	54	9	.8	63	37
Wilkes-Barre.....	344	8,261	0		3	0	341	55	0		104	627
Puerto Rico: San Juan.....												
Rhode Island: Providence ³												
South Carolina: Columbia.....	854	7,075	30	3.5	5	0	819	50	5	.6	205	754
South Dakota: Sioux Falls.....	636	6,644	19	3.0	21	0	596	14	3	.5	86	316
Tennessee: Nashville.....	1,262	6,408	21	1.7	14	6	1,221	87	9	.7	247	1,076
Texas:												
Dallas.....	593	7,237	0		3	0	590	0	0		128	86
Houston.....	470	7,258	0		4	5	461	11	2	.4	105	59
Lubbock.....	507	6,911	0		5	0	502	26	4	.8	45	428
San Antonio.....	219	7,375	0		1	0	218	3	0		50	240
Waco.....	522	6,645	0		6	0	516	3	1	.2	92	133
Utah: Salt Lake City.....	277	7,271	5	1.8	5	0	267	10	0		54	274
Vermont: White River Junction.....	202	5,408	22	10.9	1	0	179	6	1	.6	13	3
Virginia: Roanoke.....	1,962	7,084	0		21	2	1,939	30	3	.2	281	2,297
Washington: Seattle.....	301	7,341	1	.3	6	0	294	33	2	.7	35	338
West Virginia: Huntington.....	1,473	6,404	0		13	0	1,460	115	35	2.4	325	1,726
Wisconsin: Milwaukee.....	1,095	6,843	165	15.1	33	6	891	28	5	.6	98	1,686
Wyoming: Cheyenne.....	243	7,961	78	32.1	1	0	164	4	0		27	249

¹ Applications on hand awaiting preliminary clearance plus veterans waiting to file applications.

² Data as of Dec. 31, 1953.

³ No portion of region eligible for direct loans.

I should like to state, Mr. Chairman, how extremely helpful have been the members of the Committee on Veterans' Affairs. There are 14 Republicans and 14 Democrats, and we have all worked very much as a unit. The veterans are very lucky to have that membership on that committee.

Mr. PERKINS. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I wish to congratulate the gentlewoman for her excellent work in behalf of veterans. There is one thing on which I would like to have a little information. If I recall correctly, last year the interest rate was raised from 4 to 4½ percent on both direct and guaranteed loans. We all know that the cost of veterans housing has been climbing for the past few years and today it is too expensive. I am wondering whether the gentlewoman's committee has given consideration to legislation lowering the interest rate. The fact that a large number of veterans are now unemployed makes it more important that we take action and make adequate funds available at a reasonable interest rate in order that more homes may be constructed and purchased by the veteran. The correspondence that I have received convinces me that this authorization is inadequate. In nearly every instance that I have contacted the Veterans' Administration, I find that the veteran must be placed on the waiting list for a loan because of the lack of funds. I am hopeful that something can be done to correct this situation by making funds available for the veteran. I think it is well understood that the increase in

interest rate requires an actual cash outlay of the average veteran who is borrowing money to build a \$10,000 home of something in excess of \$600. This \$600 is an important item to a veteran who is making every effort to finance a home for himself and family.

Mrs. ROGERS of Massachusetts. I should like to say to the gentleman that the committee is considering that. Last year, as the gentleman knows, the rate was raised administratively to 4½ percent. The committee went along with that, and now we are going to try to get it lowered.

Mr. PERKINS. Another question, if the gentlewoman will yield. If I recall correctly, the change in the interest rate was in line with the administration's policy that is often referred to as the hard-money policy, which was put into effect in the spring of 1953. Developments since that time have been such that the administration has abandoned this hard-money policy in its refunding operations and has supposedly gone to considerable effort to encourage the building of more homes for veterans. The veteran gave a portion of the best years of his life to the service of his Government at a time when wages and employment were at a high level, and he at least deserves the opportunity to borrow money at an interest rate below 4½ percent. Is that not correct?

Mrs. ROGERS of Massachusetts. I think the gentleman will find that the members of the committee are extremely anxious to do that, and I hope some legislation will come out looking to that end.

Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. As our chairman of the committee has explained the purpose of the bill, I should like to add for the benefit of the Members, some of whom perhaps are not familiar with the exact manner in which a county becomes eligible for direct loans, that that authority is vested in the central office of the Veterans' Administration—the regional office may recommend that the decision is made in Washington. If there are Members who would like to know whether or not the counties within their districts are eligible for direct loans, they can get that information by contacting the regional office.

The purpose of the direct-loan program is to aid those veterans in non-metropolitan areas where private capital is not available. It is not the intent of the program to compete with private capital. It is the intent of the program to provide the same services and the same opportunities in the matter of getting a veteran's loan.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The gentleman made reference to the availability of private capital to grant loans. Has the gentleman's committee studied the situation to ascertain in how many areas the Veterans' Administration has declared private capital is not available?

Mr. AYRES. There will be inserted in the RECORD a complete breakdown of all direct loans made, in the several States. I cannot give the information in detail at this time, but that will be inserted in the RECORD in connection with this debate.

Mr. ROGERS of Colorado. Has there been any representation made to the

committee that the Veterans' Administration is slow in declaring that private capital is not available for veterans to secure loans?

Mr. AYRES. Yes. We have gone into that for the last year and a half. The gentleman from Oklahoma [Mr. EDMONDSON] and I just returned 10 days ago from California, where that complaint had been registered. Last fall the gentleman from Oklahoma [Mr. EDMONDSON] and the gentleman from Texas [Mr. TEAGUE] traveled through the Southwest and came up with some very interesting information so far as the shortage of private capital is concerned in those particular areas.

Mr. ROGERS of Colorado. But there is nothing in this legislation that would change the practice or formula that has been used by the Veterans' Administration heretofore?

Mr. AYRES. No. This is just a continuation of the existing direct loan program.

Mr. ROGERS of Colorado. Does the gentleman know how much proof the Veterans' Administration require before they will declare private capital not available?

Mr. AYRES. That is left somewhat to the discretion of the local administrator in each regional office. I can speak only for my own State of Ohio. The territories and counties that are eligible for direct loans are those outside any metropolitan city or the county in which the city is located.

Mr. ROGERS of Colorado. I have had a great deal of complaint from veterans who attempt to get loans and are told that their area is one where private capital is still available. Then when they go to get a loan from private capital, they are unable to do so.

Mr. AYRES. To what particular area does the gentleman refer?

Mr. ROGERS of Colorado. The city and county of Denver.

Mr. AYRES. You cannot get a direct loan in that county or within the city of Denver—it is a metropolitan area. According to the information that we received from the Veterans' Administration prior to going to California to hold hearings, and we had hoped to hold hearings in Denver, there was not any shortage of money there for veterans' loans.

Mr. ROGERS of Colorado. That is where the difficulty comes. The veteran may make an application to the FHA or other lending agencies, but may be unable to get such a loan due to the interest rate and other factors. Then when he goes to the Veterans' Administration they say, "No, we cannot lend you this money at all because we still maintain that there is enough private capital here," although private capital would not make that loan.

Mr. AYRES. I would contact the United States Savings and Loan League and also the major veterans organizations to find out who has been giving us misinformation, because they informed us it was not necessary to go into that area. If there is a shortage we would be very happy to investigate it.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Kentucky.

Mr. GOLDEN. This program in my State of Kentucky meets with the approval of all parties concerned, but they are always running out of money. I have had a large number of veterans write me who had been qualified but were informed that the fund was already exhausted. I am wondering how the provisions of this bill and the supply of money this year compare with what we have had in the past.

Mr. AYRES. It is the exact amount, \$100 million, for the next fiscal year, but I am of the opinion that more money will be available for this reason: This is a revolving fund. As the mortgages are sold the payments from those mortgages go back into the fund.

Mr. GOLDEN. There is another question I wanted to ask. I made some inquiries and found they were making efforts to dispose of some of this paper.

Mr. AYRES. They are having more success than they have had in the past in the disposal of it. There is one other thing that may help in the gentleman's area, as well as that of the gentleman from Denver. When the gentleman from Oklahoma [Mr. EDMONDSON] and I were in California, the suggestion was made that perhaps the guaranty on the GI guaranteed loan—that is, the percentage of the guaranty—should be increased from 60 percent to 75 or 90 percent. The gentleman from Oklahoma and I have both introduced bills to that effect and are going to hold hearings on that subject. Some of the leading lending agencies of the country have told us that since the default rate on veterans' loans is so low it might be feasible to raise the guaranty. If that should be done, there should be more lending agencies eager to get out into the rural areas or the areas in which they are not now interested.

Mr. GOLDEN. I think this committee should keep a close watch on the ability to convert this paper into money so it will furnish new funds for the veterans.

Mr. AYRES. We have had the gentleman from the Veterans' Administration before us. They know we are pushing them to be good salesmen and get this paper back into the hands of private investors so that more money will revolve back into the fund.

Mr. Chairman, I want to take this opportunity to thank Mr. Edwin B. Patterson and Mr. Oliver E. Meadows, of the staff of the committee, for their help with the work of the subcommittee.

Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I think it might be well for us to recall some aspects of this program as we consider it here today. In the first place, beginning in 1950 the program was instituted with a loan fund of \$150 million. That fund shortly was exhausted and it became necessary to augment it. That has been done in the years since. At

one time Congress authorized an additional \$125 million, and then again the sum was authorized to be augmented by \$100 million on a revolving-fund basis. The way that revolving fund works is this: Each quarter \$25 million are available. If that amount cannot be realized, and it has never been, from the sale of existing loans by the Veterans' Administration, then the Treasury must put in enough money each quarter to make at least \$25 million available. On that basis, there is up to January 31 of this year involved in this program the sum of \$376 million. I am speaking now in round numbers. Of that there is the original \$150 million, which has been increased by quarterly increments, previously mentioned, to the amount of approximately \$190 million. It has been further increased by the sale of existing loans in the amount of something under \$11 million, and finally there is over \$24 million representing repayments on the principal of existing loans. This legislation, which is before us today, would make available for the next fiscal year an additional \$100 million.

The question frequently arises, and has on this floor today, as to the areas where these loans may be made. There was a brief period in 1952 when these loans could be made in certain areas, which included cities as large as 100,000 people. That is no longer the case. I am informed there are no communities now larger than 50,000 people which have been declared to be eligible for these loans, and most of them are made in communities in which the largest towns are much smaller. In other words, these direct loans are supposed to take care largely of rural communities or areas in which small towns are located.

Some question has been made as to the interest rate, which is currently 4½ percent. In that respect the law provides that the interest rate shall be the same as that paid on guaranteed loans but not more than 4½ percent.

On the whole, Mr. Chairman, I think this is very good legislation. As has been pointed out, the rate of defaults is extremely low. The Government is realizing some income from the interest paid on these loans. I think the legislation should be passed.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. WIER. With reference to the statement which has been made here 2 or 3 times, I would like to ask some questions. Representing the Third District in Minnesota, the Veterans' Administration for that area is in my district, that is the property is. That is in Hennepin County, Minneapolis. I also represent the five rural counties and in Washington County, we have the city of Stillwater, Minn., which represents about 12,000 people.

Since January of this year I have received four communications from veterans in Stillwater, Minn., advising me that they have made application, that they have the qualifications for a loan for a home but when they applied to the

Veterans' Administration service office in Fort Snelling they were advised that they ought to go back to Stillwater and try to make a loan there from a bank or a building and loan association.

They have been turned down on the loans and communicated with me. I wrote to Mr. Mumma, manager of services in Fort Snelling and he advised me that there are no Veterans' Administration services available in Washington County. He advised me to send the boys to him. It was quite a personal way in which he put it. In other words, I am trying to tell you that that county has no available funds for these veterans who make application to the Veterans' Administration and the Veterans' Administration at Fort Snelling cannot make it to the county.

Mr. ADAIR. As the gentleman points out, there are certain areas in which loans are not available. There are 2 or 3 criteria for the making of these loans.

In the first place, the area must be determined to be an area in which loans can be made. That determination is made by the Veterans' Administration.

Secondly, the money must be available.

Thirdly, the person must have gone to a private lending institution and tried to make his loan there, and have failed to obtain it. Although there are others, these are the basic issues that the veteran-applicant must meet.

As of last January of this year, according to my recollection there were about 7,600 pending loans throughout the United States. It might be that the loans to which those gentlemen refer are in that category; I do not know. But there is still money in the fund and if the area has been so designated and if the private agencies have declined, then these applicants ought to be eligible for a loan.

Mr. WIER. Then the last question is: Is it possible for the Administrator or the manager at Fort Snelling to approve a qualified loan in Washington County, for a loan out of the central office at Fort Snelling?

Mr. ADAIR. If he is authorized by the Veterans' Administration.

Mr. WIER. That is the catch; I presume he is not.

Mr. ADAIR. If he does not have that authorization he cannot.

Mr. WIER. Then what good will this bill be to my constituents?

Mr. ADAIR. It will make more money available.

Mr. WIER. It does not give the Administrator that authorization.

Mr. AYRES. I would say to the gentleman from Minnesota that since the beginning of the program 867 loans were granted in Minnesota.

Mr. WIER. That is a very small percentage, for Minneapolis alone has a population of over 500,000.

(Mr. ADAIR asked and was given permission to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Chairman, I yield myself 2 minutes.

The ranking minority member of this subcommittee, the gentleman from Texas [Mr. TEAGUE], is temporarily absent from the floor. He was called away

only a few moments ago on official business. I would like to ask at this time unanimous consent that he may insert his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. TEAGUE. Mr. Chairman, the Servicemen's Readjustment Act of 1944 included provisions for guaranteed loans to veterans for the purpose of purchasing homes, farms, and establishing businesses. Most of the Veterans' Administration's loan guaranty activity has been for home loans. After the program had operated for several years, it became apparent that veterans living in rural and semirural areas were deriving little or no benefit from the act. In those areas, no lenders could be found who were willing to lend money even with a Veterans' Administration guaranty at a 4 percent interest rate and the situation did not improve when the maximum interest rate on guaranteed and direct loans was raised to 4½ percent early last year.

In an effort to equalize opportunity for veterans residing in rural and semirural areas, the Congress established the direct loan program on July 19, 1950. To qualify for a direct loan, a veteran must show that he cannot secure financing from private lending sources. He also must reside in an area designated by the Veterans' Administration as being a direct-loan area. The bill under consideration would extend the direct-loan program for 1 year on the same basis that it operated last year, \$25 million a quarter, or a total of \$100 million. It must be recognized that \$100 million will in no way meet the demands for direct loans. The Subcommittee on Housing of the Veterans' Affairs Committee, of which I am a member, has held hearings throughout the United States during the past 2 years. We have found big waiting lists for direct loans wherever we have gone. The waiting list would be even larger if the veteran had any hope of reaching the top of the list within a reasonable period of time. In most instances, it takes at least 6 months or more to reach the top of the waiting list. In these cases, the property in which the veteran was interested is usually sold before his loan is processed.

The direct-loan program as extended by H. R. 8152 will help some in removing the inequity between veterans residing in rural and city areas. I regret to say, however, that the bill does have one major shortcoming. I have introduced a bill, along with the gentleman from Oklahoma, Congressman EDMONDSON, which would extend the privilege of obtaining a direct loan to a veteran who wishes to purchase a farm. I do not believe that the present limitation of the bill which permits direct loans for the purchase of residential property only is fair. A veteran may obtain a guaranteed loan for the purpose of buying a farm on which to live, but he may not obtain a direct loan for the same purpose. The program has been working well and the default rate has been low. In questioning lenders who have appeared before

the Subcommittee on Housing, we have found very little objection to the direct-loan program. I have heard no complaint that direct loans are being made where lenders wish to place private financing.

Mr. EDMONDSON. Mr. Chairman, I would also at this time like to observe that the second ranking Democrat on the Veterans' Affairs Committee, the gentleman from Tennessee [Mr. EVINS] who has always been deeply and sincerely interested in this program and this legislation, has been called home on account of the death of his father and could not be present when the bill was called. I know of his interest in this legislation and of the regret he has that he could not be present to express his personal interest in this matter.

At this time I ask unanimous consent that the gentleman from Tennessee [Mr. EVINS] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

[Mr. EVINS' remarks will appear hereafter in the Appendix.]

Mr. EDMONDSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, there is no doubt but that this committee has done a fine job through the years, and an especially good job under the chairmanship of the distinguished gentleman from Massachusetts [Mrs. ROGERS]. The committee has always approached veterans' problems from the viewpoint of the best interests of the veteran and the best interests of the country. I am very happy to take a moment to express our compliments to all the members of that committee.

I know that they are deeply concerned with the fact that many veterans are being deprived of the opportunity of taking advantage of the various loan programs, and particularly this very loan program, because of increased interest rates.

We remember that not so long ago when the administration decided that we needed hard money or sound money, which soon proved to be money harder to get, they increased the interest rates right across the board; at least, that was the effect of what they did when they offered those high interest rates on Government bonds.

Then we saw the interest rate on veteran loans raised from 4 percent to 4½ percent. While the committee has diligently attempted to give thought to the problem of cutting the interest rate for the veterans and helping them to acquire better shelter for their families, unfortunately nothing has as yet come before the Congress that will accomplish that very desirable result.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. The temper of the Committee on Veterans' Affairs is very much in favor of cutting the interest rate and we hope to have a bill along that line considered very shortly. The gentleman himself has introduced a bill for that purpose.

Mr. MULTER. I thank the gentlewoman for that comment.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from California.

Mr. YOUNGER. The gentleman realizes that before the interest rate was raised the discount rate which was promulgated actually increased the cost of the home to the veteran more than the increased interest rate?

Mr. MULTER. Yes, there is no doubt about that. The Committee on Veterans' Affairs and the Committee on Banking and Currency, I know, have tried to eliminate that additional cost that was tacked on by way of discount. The argument was always made that that charge was paid by the lender who discounted the mortgage, actually it was always passed on to the builder and by the builder to the veteran who bought the house. The veteran always had to pay that additional cost. No matter how they tried to camouflage it whether as a discount or a brokerage or what not, it was a cost added to the cost of the house and the veteran in the final analysis had to pay it.

In May of last year the gentleman from New York [Mr. KEOGH] joined with me in introducing a bill which sought to bring the interest rate to the veteran down to 3½ percent, not increase it from 4 to 4½ percent but decrease it from 4 to 3½ percent. We sought to do that in a manner which would have cost the Government of the United States very little. That bill had a provision, not mandatory but permissive, that would permit the lending of money at an interest rate of 3½ percent. You might ask, Why will anybody lend money at 3½ percent when they can get 4½ or 5 percent? Why should the lenders put their money out at 3½ percent?

The bill that we introduced sought to accomplish that purpose very simply. It provided that any time a veteran's mortgage guaranteed under title III of the Servicemen's Readjustment Act called for an interest rate of not more than 3½ percent per annum that interest would be tax exempt.

In other words, the veteran would be called upon to pay only 3½ percent interest and the lender who wanted to help the veteran acquire his home by lending on a 3½ percent mortgage rate would not pay any income tax to the United States Government on the interest so earned. The total cost of this program to the United States Government, if you adopt that kind of a provision, would be hardly anything in lost income tax on these 3½-percent mortgages.

We saw that when the veterans came back after World War II they were required to pay as high as \$8,000 for a \$4,000 house and today they probably are paying \$10,000 for that same \$4,000 house. In addition to that, you have the high interest rate.

I think we can easily cope with this problem today in connection with this bill.

In order to do that, I am going to offer an amendment when the bill is read in order to give you the opportunity to adopt this method of giving the veterans of the country an opportunity to get 3½ percent interest mortgages and thereby make more homes available to more veterans of the country.

I sincerely hope the Congress will support my amendment.

Mr. EDMONDSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. SELDEN].

(Mr. SELDEN asked and was given permission to revise and extend his remarks.)

Mr. SELDEN. Mr. Chairman, I rise in support of the bill, H. R. 8152, now under consideration. This measure, reported unanimously by the Committee on Veterans' Affairs, extends for 1 year, or until June 30, 1955, the veterans' direct-loan program. In addition, it authorizes for the program's revolving fund an additional sum not to exceed \$100 million. This amount is to be allocated in quarterly installments of \$25 million each, less the proceeds of direct-loan sales in the preceding quarter.

The veterans' direct-loan program is, of course, supplemental to the VA guaranteed GI loan program. It was originally enacted in 1950 to enable veterans living in small towns and semirural communities to benefit from the GI housing program. Under this legislation, veterans can qualify for a direct loan only if they are judged to be a good credit risk and can furnish evidence that they have been unable to obtaining a housing loan from private sources at 4½-percent interest. These loans are repaid by the veterans with profit to the Treasury.

In the State of Alabama, as of January 31, 1954, there have been 1,745 fully disbursed loans made for an average amount of \$7,284. Of the total number of loans outstanding, only 0.5 percent are in default. This latter figure, certainly a tribute to the veterans of Alabama, is a good indication that the Federal Government is not to date losing money on the direct-loan program.

It was my hope that the amount currently authorized for the direct-loan program would be increased by the legislation now under consideration. Inadequate funds for this program have built up long waiting lists. In my State, for example, there are more than 1,300 veterans whose loans are now awaiting further appropriation of funds. Yet, with ample evidence that additional funds were needed, it was the opinion of the members of the Veterans' Affairs Committee that the Congress would not appropriate funds in excess of \$100 million at this time.

Should the demand for direct loans to veterans fail to be met in fiscal year 1955 by the funds available, I hope the present administration will recommend increased funds for the direct-loan program for the following fiscal year and that Congress will act accordingly.

Mr. EDMONDSON. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, I believe it has been truly stated on the other side of the aisle that this bill represents a bipartisan effort in the truest sense on the part of the Committee on Veterans' Affairs. I would not like to let this opportunity pass without expressing my deep and honest appreciation to the chairman of our committee, the gentlewoman from Massachusetts [Mrs. ROGERS], for the very deep and sincere concern which I have found her to show toward the veteran and his problem at all times. It is a 24-hour concern with her, and that spirit, I know, is deeply appreciated on the part of the members of this committee on both sides.

Mr. Chairman, I also want to express my appreciation, and I am sure the appreciation of other Democrats on the committee, to the chairman of the subcommittee, the gentleman from Ohio [Mr. AYRES], for his ability, for his energy, and for his fairness in dealing with the problem of housing for the veteran. We appreciate particularly his accommodation to us in the matter of hearings in the States of Texas and Oklahoma during last fall. I did not want this moment to pass without expressing that appreciation to the members of the committee on the other side of the aisle for the bipartisan spirit in which they have approached these difficult problems.

Mr. Chairman, I think it can also be said, and I think admitted on both sides by the committee members, that this bill does not represent the idea of the committee as the ideal in the way of a direct loan program. I know from the bills that have been introduced by members of the committee that there are a number of members on the Democratic as well as the Republican side who feel that more money should be made available for this program; who feel that there is not an adequate fund available today; and, in the absence of the revolving of this fund, that it is going to be essential one of these days to increase the amount of direct loan money unless we have private lending institutions meeting the challenge more adequately of the need for housing in our rural areas and in our small towns. I think in the course of our hearings in Ohio, Oklahoma, Texas, and California we listened to probably 12 regional officers who were in charge of the guaranteed-loan program and in charge of the direct-loan program in these regional offices. I think we found only one regional office in which they stated to us that there had been any decline in the demand for these direct loans.

In practically every other office the testimony was uniform that there was not enough money to meet the demands, and there are waiting lists at this time. In other words, the need is not being met in our country areas, in our small towns, where there is an urgent need to keep our young people on the land. I think that sooner or later Congress is going to have to recognize this problem and come in with legislation for more money for the direct-loan program.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from West Virginia.

Mr. BAILEY. Correspondence reaching me from veterans would indicate that rural veterans who desire to build a residence on a farm or in suburban areas, where they do not have conveniences, such as they have in the cities, are having difficulty in getting these loans. Is there anything in this bill that would correct that situation?

Mr. EDMONDSON. May I say in answer to that question that the only way that we can meet that problem in this bill is to make available the same amount of money that has been available during the last 9 or 10 quarters for the program. I think we are meeting the problem to a limited extent, but a very limited extent, too limited. I know from expressions which I have heard from the chairman of this committee and the chairman of the subcommittee that this is a fairly general view that is shared by the members of the Committee on Veterans' Affairs.

Mr. BAILEY. I want to thank the gentleman from Oklahoma [Mr. EDMONDSON] and compliment him, as well as the members of the committee for their attempt to solve this very important problem.

Mr. EDMONDSON. I thank my friend from West Virginia.

A second general observation I think could be made with regard to this direct-loan program and that is that it stops short in the scope of the authorization for the direct loan. Personally, I am of the belief that the direct-loan program should provide for direct loans to purchase not only a farm home but also farmland. Anybody who has any farms in his district is acquainted with the fact that a loan for a farm home only does not meet the need. It does not meet the need of the GI who is going into farming. He needs access to a direct loan to purchase land to work and to produce, and there is no reason why these direct-loan funds should not also be made available for the purpose of purchasing farmlands.

As a final general observation, I think there is sentiment on both sides of this committee for action, in the very near future, by the Veterans' Administration to roll back the interest rate on the GI loans. Under the authority which was granted in the law to the Administrator of Veterans' Affairs, he saw fit last year, when there appeared to be an inflationary situation and money for low-interest loans was reported scarce, to increase the interest rate to 4½ percent. Anybody who reads the reports on the money market is aware of the fact that today the trend is in the opposite direction and is toward reducing interest rates. I see no good reason why the Administrator of Veterans' Affairs should not recognize this plain situation and roll back the interest rate, making it possible for the veteran once again to borrow money at 4 percent, the interest rate which prevailed at the close of 1952. I think the time has come for the Administrator to recognize that situation and take the step which is within his power to roll back the interest rate once again, not only on guaranteed loans but also on direct loans.

At the present time that increase in the interest rate is adding to the cost of

any home purchased under the direct loan program, or the guaranteed loan program, anywhere from \$600 to \$1,000. And that is in addition to the cost of the home. That is unnecessary in the light of the present situation of the money market and the trend that is apparent in the money market to anyone reading the financial pages. I think the sooner the interest rate is rolled back, the sooner it gets to the proper level, the better it will be for our veterans and the better it will be for our entire economy.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield to me?

Mr. EDMONDSON. I am glad to yield to the distinguished chairman of the committee.

Mrs. ROGERS of Massachusetts. As the gentleman knows, the committee plans to have hearings almost immediately on that very subject.

Mr. EDMONDSON. I am very glad that those hearings will be held, and I commend the gentlewoman for her decision to hold those hearings.

Mr. FOUNTAIN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from North Carolina.

Mr. FOUNTAIN. It is true, is it not, that those veterans who have already negotiated loans at a 4½ percent interest rate will have to continue to pay that interest rate?

Mr. EDMONDSON. I am afraid that the gentleman is correct. They will be held to their contracts and will have to continue to pay the 4½ percent interest rate.

Mr. FOUNTAIN. So that the situation is serious and so it is all the more important for action to be taken immediately to roll back that interest rate to 4 percent or less.

Mr. EDMONDSON. I think the gentleman is exactly correct in his observation on that.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from New York.

Mr. MULTER. To the extent that these mortgages have not been sold and are still held by the Veterans' Administration—that is, by the United States Government—we could reduce that interest rate. The only thing is that the Government would lose a little of the income. Since this is a profitable program and we are not seeking to make a profit on the veterans, we could roll back the existing interest rate on those loans that are still held by the United States Government. Is not that so?

Mr. EDMONDSON. I think on the direct loan program it would be possible to do that. On the guaranteed loan program I do not believe it would be possible.

Mr. MULTER. I think the gentleman is right. I thank the gentleman.

Mr. AYRES. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I rise for the purpose of pointing out three things here concerning which I have been questioned by some of my colleagues.

The first is, I know some of my colleagues are disturbed because we come in, it seems like every year or two, to

ask for an additional amount to be added to the fund. This loan money is not a loss proposition. Strange as it may seem, this operation is a money-making one. If this program continues for the full 20 years, the United States Government will make about \$70 million. It will not lose any money. If it extends over a period of 12 years, and some of these loans will be paid off in that period of time, we will make somewhere between forty-five and fifty millions. So this program is a money maker. The United States Government will get back every penny it puts into the program plus interest.

In the second place, I know many of you have correspondence from lending institutions at home and from people who are interested in knowing how this will affect free enterprise. Free enterprise has the first two tries at this loan. First, in order for a veteran to get a loan he goes to the lending institution and says, "Will you make me a loan of say \$10,000?" The lending institution goes into it and says, "I am sorry, you aren't qualified. We can't take your loan," for some reason.

The veteran then goes to the Veterans' Administration, which makes an investigation. As the result of the investigation they say the man is qualified. They send him back to the lending institution, which has a second try at the loan. After the investigation has been made the lending institution has a second chance to say to him, "We will not make the loan." If they say at that time that they will not make the loan, then he is qualified to come in under the direct-loan system.

So if there is any free enterprise lending institution that wants to make this veteran a loan, it has two times to try for it.

In the third place, I believe in the city areas there is not a great demand for this program. The program at this time is primarily a rural program, not a city program. The problem that is presented in this direct-loan program is to find out the rural areas that will not make loans. I know there are some problems connected with this in small communities. Anyone who has been in a small business knows that you are not going to have enough of this business in the small areas to justify the amount of expenditure you have to put on this type of loan.

Many of you who are familiar with the lending of money will realize that in order to supply and maintain this kind of loan, you have to have some kind of volume. In cities, the reason you have not run into this trouble is that you have large lending institutions that may have 1 or 2 people in a department set up to do nothing but service this type of loan either with these funds or something similar to that in the community. The result of it is that by reason of the volume of the number of loans, it is possible for them to take them, service them, and make a reasonable amount of money on the loans.

Take a small bank in a community of a thousand or six or seven thousand people. That lending institution has a real problem in servicing this type of loan. So you have a reason to have a direct

loan system such as is advocated in this bill, and under previous legislation passed by the Congress. These are three important points which some of my colleagues ask me about with reference to the bill, and I trust that I have clarified the situation to some extent.

(Mr. SPRINGER asked and was given permission to revise and extend his remarks.)

Mr. AYRES. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I am certain that the purpose of this bill will and ought to meet with the unanimous approval of the Members of this House.

Its objective is the authorization to provide additional money for the revolving fund used in making direct home and farm house loans to veterans under the Servicemen's Readjustment Act and to extend its authority to operate until June 30, 1955; as you know, the present authority is scheduled to expire on June 30, 1954.

The evidence and experience that has been presented here by the Committee on Veterans' Affairs, under the chairmanship of my distinguished colleague from Massachusetts, Congresswoman EDITH NOURSE ROGERS, demonstrates that the program has worked extremely well, that the default rate of four-tenths of 1 percent is unusually low, and that the continuous financing has been administered in a very conservative and competent manner.

The veteran has been encouraged and inspired to provide a decent home for himself and his family, the Government has lost no money, and the country as a whole has profited. I earnestly urge you all to promptly vote for passage of this measure because of its proved substantial merit.

May I earnestly urge also, at the same time, that the current interest rate of 4½ percent be reduced to 4 percent at least, at the earliest possible moment. This extravagant interest rate has visited real hardship upon the veteran and has tended to slow up loan applications to an undesirable and unhealthy extent. If we really want the veteran to participate in the program, then we must place the loan interest rate at a reasonable level. I earnestly hope the House will take appropriate action to accomplish that objective in the near future.

Mr. MILLER of Kansas. Mr. Chairman, I have not the honor to be a veteran either of World War I or World War II.

The date of my birth practically eliminated me from either of those conflicts. But I do have the satisfaction of having, at all times, given support to the men in the field and of making every effort to do justice to them now that they have returned to civilian pursuits.

I am not in favor of handouts to veterans. No able-bodied person is deserving of a handout by the Government. Nor do veterans desire charity. All they want is justice—nothing more.

The plan outlined in this amendment is so simple, so practical, that we must wonder why it was not thought of before.

What possible objection can be raised against it? There can be none.

I should like to see this amendment pass this body without a dissenting vote.

Mr. MARSHALL. Mr. Chairman, I think I can best illustrate the need for the legislation before us today by using the example of one county in my district, Crow Wing County which includes the city of Brainerd, Minn.

This area is served by the Veterans' Administration regional office at Fort Snelling and the quarterly allotment of funds for direct loans in the entire region has never exceeded \$536,000. Since the beginning of the program, 898 direct loans have been made in the regional area in the amount of \$6,015,463. The average loan, therefore, is approximately \$6,800. On this basis the quarterly allotment for the region makes it possible to approve only 79 loans per quarter for the entire regional area.

The allotment for the current quarter is already exhausted and there are 730 requests for direct loans still waiting to be processed at such time when funds become available again. In an effort to be fair to all veterans, the allotted funds are apportioned by the regional office on the basis of the veteran population in the counties.

Realizing that this regional office serves 79 Minnesota counties, 67 of which are eligible for direct loans, it is easy to see that the funds available are grossly insufficient to meet the demand for loans.

Now I would like to show you what this means in one county—Crow Wing—though the same story is repeated in every county.

Sixty-three direct loans totaling \$384,150 have been made in the county, most of them in Brainerd. This represents about 8 percent of all the loans made in Minnesota since the program was inaugurated. Yet there are 68 applications pending and only 10 loans have been made in the county since April 1952, because of inadequate funds. Let me remind you that this is considered one of the better counties under the program.

At the present rate of approximately five loans a year, it would take over 13 years to handle only those applications now pending. The real problem becomes clear when we realize that many World War II veterans, the veterans who are now establishing families and trying to buy homes, will begin to lose their eligibility in 1957, only 3 years from now.

Despite the housing demand and the need for adequate financing, regular GI loans are still not available in any substantial degree. Housing for veterans in Brainerd was almost at a standstill until the direct loan program was made available in the city 2 years ago.

I think these examples illustrate the need for continuing the direct loan program at what certainly seems to be a modest level. Without this program, the intention of Congress to help veterans own their homes will be thwarted and the housing provisions of the GI bill will be nullified.

Many of the veterans who have applications pending in this one county have come to me in the past several years, and I know that the community and the State will be enriched by the establishment of their homes. They have contributed much to the Nation and they and their families will continue to contribute to our growth if they are given the opportunity of providing homes for themselves in our communities.

Few programs represent a better investment in the future of this country. Stable family life is at the root of the democratic system and decent housing is the first requisite of stable family life.

Mr. PHILBIN. Mr. Chairman, it is with genuine enthusiasm that I support this measure to extend the direct home and farmhouse loan authority of the Veterans' Administration to finance veterans in their purchases of homes.

This measure was part of the original GI bill passed in 1944 which I had the privilege of sponsoring, urging, and voting for. Let me say that I am exceedingly proud of my vigorous support of this and kindred measures for the benefit of our beloved veterans.

The operations of this measure have been most gratifying to all supporters and friends of the veteran and his dependents. Only a puny fraction of 1 percent of loans negotiated under its provisions have ever been in default. This is a splendid record—one which eloquently testifies to the honesty, industry, thrift, and businesslike qualities of our veterans. It shows that the veterans are, like their forebears, devoted to homelife, eager to establish their own homes, anxious to raise their families in clean, wholesome surroundings, determined to recognize the importance of the family unit, not only as the center but the great stabilizing force in sustaining the equilibrium, the vigor, and the beneficent influence of the family as the fundamental cornerstone of American social, economic, and political life, as well as one of the greatest sources of the Nation's spiritual strength.

I am a believer in free enterprise. In my opinion, the free way is the best way, and it must be zealously preserved. Congress should uphold and protect this system against collectivist encroachments. Government should intervene in the private business affairs and requirements of the people only when free enterprise, for one reason or other, has failed to provide essential services or meet socially recognized needs. I favor reduced interest rates on these loans.

I am convinced that this program is not only meritorious. It has been of inestimable value to our veterans. It must be continued and, when necessary, perfected to meet increasing or vital needs. It is one of the ways which Congress, in behalf of the American people, can express its gratitude to those who have contributed so greatly and unselfishly to the Nation. Let us have a unanimous vote for this bill.

Mr. AYRES. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I take this time to ask the members of the committee: Is there anything in this bill where, if a man returned from the service, let us say from the Marines, and if he made a real and vigorous and continuous campaign to exclude the Communists and their sympathizers from positions in the Federal Government, would he be deprived of an opportunity to obtain a loan?

Mr. AYRES. This is just an extension of a bill which was in effect last year. He was entitled to it then. And since he was entitled to it then, he is entitled to it now.

Mr. HOFFMAN of Michigan. And even if he made a record fighting Communists?

Mr. AYRES. Yes, oh, yes.

Mr. HOFFMAN of Michigan. He would?

Mr. AYRES. That is right.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. EDMONDSON. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Idaho [Mrs. PROST].

Mrs. PFOST. Mr. Chairman, I have today introduced House Joint Resolution 482, entitled "To establish a joint committee to investigate the gold-mining industry." There long has been a demand for such an investigation and several State legislatures have memorialized the Congress on the subject at various times. Since the imposition on the United States mining industry of the infamous gold closing order L-208 in October of 1942, a blow from which gold mining has never recovered, rising costs and a low fixed price for gold have left the industry in perhaps worse shape than in 1943 when the United States Bureau of Mines issued a statement saying "California gold production in 1943 fell below that for any year since 1848." Production never had been restored and the comparison holds true for Idaho and other mining States.

Since the days of L-208 many bills have been introduced to recompense for closed mines, to raise the price of gold, to create a free gold market, to restore convertibility, and for other purposes. These bills generally go to the Committees on Banking and Currency, reports are asked for from the Treasury and other agencies which invariably turn out to be adverse, the bills are pigeonholed and that is the end of them. It has been years since a hearing has been held on a gold bill. It is time something is done.

Economists differ sharply on the role of gold in our present economy. There are advocates of managed currency, there are bimetalists, symmetallists, gold standard, convertibility, partial convertibility, restricted markets, free world markets, free domestic markets, high price, low price, and so on. In the meantime, the gold-mining industry remains in the doldrums and the Congress has no way of determining the right answer.

Stimulating the gold industry would also stimulate the lead-zinc industry where gold is found in combination with these metals. There is one sure thing—

opening of gold mines would create jobs for some of our lead and zinc miners who are out of work.

But what we need is to ascertain the full facts. The object of my resolution is the appointment of a committee of 16—5 Members from the Senate, 5 Members from the House, and 6 members from private life—who are familiar with various phases of the gold-mining industry and the problems of gold. Legislation could be recommended by this select joint committee if it found this to be desirable.

The Interior Department and the Bureau of the Budget have stated they are not opposed to the creation of a select committee to make such a study.

In a recent letter Assistant Secretary of the Interior Wormser remarked:

The Department of the Interior recognizes that the gold-mining industry is unique in that the Gold Reserve Act of 1934 restricts the market for its product to the Treasury at a fixed price which has remained unchanged for nearly 20 years while the prices of most other commodities and wage rates have risen substantially. This situation and the accompanying hardship that appears to have developed at many gold mines offers a field for investigation with the possibilities for recommendations for constructive action.

This is the first kind word any agency has said about an attempt to aid domestic gold mining in many years. I trust, Mr. Chairman, that the Members of this House will press for a favorable report on my resolution and will pass it at this session so that the study can be made during the summer recess. So while I am not a member of this subcommittee—I am a member of the general committee—I say that our Committee on Housing will hold these hearings.

I think the only way and the best way to get good legislation is through the regular committees of the House and through the regular procedures of the House. If we are permitted to proceed in that manner, to consider a proper interest rate, to consider how much of these loans should be guaranteed by the Government, we will be able to come to the House with a bill before this session is over which I think will do far more for the veterans of this country than any speedy action we might take today without the full consideration of this committee itself.

This is a good bill. I hope the bill will pass the House and be enacted into law this year.

Mr. EDMONDSON. Mr. Chairman, I believe the gentleman from Ohio [Mr. AYRES] wanted to close the debate. We have no further requests for time on this side.

Mr. AYRES. Mr. Chairman, before yielding the balance of my time to the able chairman of our committee, the gentlewoman from Massachusetts [Mrs. ROGERS], I would like to commend the gentleman from Ohio [Mr. SECREST] on his remarks regarding the interest rate. As chairman of the subcommittee I may say that we are going to hold hearings on the possibility of increasing the guaranty on the loans from 60 percent. I am quite certain that that is the way to

handle any increase or decrease of the interest rate rather than to attempt to do it here on a direct-loan bill.

Mr. Chairman, I yield the balance of my time to the gentlewoman from Massachusetts [Mrs. ROGERS], chairman of the Committee on Veterans' Affairs.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I wish to commend the members of the subcommittee for their very fine work on this and other legislation and for the very fine inspections under the leadership of the gentleman from Ohio [Mr. AYRES], who is chairman of the Subcommittee on Housing. We have a great deal to be thankful for. The other member of that subcommittee, the gentleman from Vermont [Mr. PROUTY], the gentleman from Pennsylvania [Mr. BONIN], the gentleman from Texas [Mr. TEAGUE], and the gentleman from Oklahoma [Mr. EDMONDSON] have without exception been most helpful. This subcommittee has held hearings at various points throughout the country and these hearings have been most helpful to the full committee and to the Congress.

The Clerk read as follows:

Be it enacted, etc., That title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) By striking out "June 30, 1954" from clause (C) of section 512 (b) and inserting "June 30, 1955" in lieu thereof.

(2) By striking out "June 30, 1954" from the first sentence of section 513 (a) and inserting "June 30, 1955" in lieu thereof.

(3) By striking out "June 30, 1955" from the third sentence of section 513 (c) and inserting "June 30, 1956" in lieu thereof.

(4) By striking out "June 30, 1954" from the first sentence of section 513 (d) and inserting "June 30, 1955" in lieu thereof.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 2, after line 8, insert a new section appropriately numbered to read:

"Interest on veterans' loans: Interest upon any loan which bears interest at a rate of not exceeding 3½ percent per annum, and any part of which is guaranteed under title III of the Servicemen's Retirement Act of 1944 as amended, shall not be included in gross income for income tax purposes and shall be exempted therefrom."

Mr. AYRES. Mr. Chairman, I make a point of order that the gentleman's amendment cannot be considered on a bill involving direct home and farmhouse loan authority, that the amendment would have to be considered by the appropriate committee of the House. It is not germane to this bill.

The CHAIRMAN. Does the gentleman from New York [Mr. MULTER] desire to be heard on the point of order?

Mr. MULTER. Mr. Chairman, the bill now being considered is entitled "to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes."

My amendment seeks to do just that; in other words, to make additional funds available therefor. The purpose,

as indicated by the amendment, will bring about that very result. It will make more funds available to the program, it will extend the program to more veterans who can then acquire the benefits thereof by the simple expedient of making this low interest rate tax exempt.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentleman from New York is too broad. It deals with a problem which comes within the jurisdiction of the Committee on Ways and Means and goes entirely outside of the purposes of this bill. The Committee on Veterans' Affairs does not have jurisdiction over gross income for income tax purposes. For the reasons stated, the Chair is constrained to sustain the point of order.

Mr. MULTER. Mr. Chairman, it is indeed regrettable that this House will be precluded from the opportunity of voting on my amendment which would be of such tremendous benefit to the veterans of our country. This amendment has been recommended by substantial bankers of our country as a certain means of bringing more money into the market for veterans' loans, thus making more homes available to veterans at a lower cost to them and at practically no cost to the Government.

It is very fine for the Members of this House to stand on the floor and decry the fact that veterans are now paying higher interest rates than they should pay. It is fine for our Members to weep copious tears over the fact that the hard-money policy of this administration increased the interest rates on veterans' mortgages. It is indeed nice to hear our colleagues say that now that the money market has eased off they will study the matter of cutting the interest rates back to what they were on these veterans' loans.

It did not require much study to immediately shoot the interest rates up another one-half percent when this administration's sound-money policy made money harder to get.

I cannot understand what study is necessary to restore those interest rates to what they were before.

I can understand even less why a permissive program that will reduce the interest rates to 3½ percent should not at least be tried to determine whether or not it will do any good.

As a Member of this august body I can do nothing but submit to the sustaining of a point of order against my amendment.

I wonder what the reaction of the veteran will be when told that the point of order deprives him even of the right to try to get a lower interest rate on his loan.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of this measure and join with other Members who have said that the subcommittee has done a fine job in bringing it here for consideration today. But I do think that if the measure went by as a routine proposition without some note being taken of what it really means in terms of policy on this side of the aisle, which now has

the majority and the responsibility for policy, it would be a mistake.

These are direct loans by the Government for mortgage purposes. I would like to have seen the committee in addition actually increase the authorization to the tune of \$200 million.

It is a fact today that veterans are buying homes and that most of the new homes are being sold almost exclusively to veterans. This is not a good situation for the economy of the country and I hope the gentleman from New York [Mr. MULTER], and other members of the Committee on Banking and Currency will liberalize mortgage terms in the forthcoming House bill so as to give non-veterans, who are also very numerous in the country—there are about 20 million veterans and about 60 million people gainfully employed—an opportunity to get into the new housing market.

Our sights should be set not for a million new homes a year, which is inadequate to America's needs and inadequate to America's productive capacity, but to not less than 1½ million homes a year and to an optimum 2 million new homes per year. Let it be noted that the Republican majority in the House of Representatives has no fear of bringing in a bill for direct Government loans for home mortgages where veterans cannot find mortgage money otherwise—the question not being determined by doctrinaire considerations but by a determination not to stop the home-building program.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Ohio.

Mr. AYRES. I thank the gentleman for his kind remarks. I can assure him that if I have anything to do about it, if the direct-loan program does not revolve faster during the next year than it has in the past 2 years, given the opportunity I will be for increasing it next year. I do feel, however, that if we can increase the guaranty on GI loans—the defaults on veterans' payments are very low—we will find private capital anxious to get out into the so-called rural areas.

Mr. JAVITS. I should say, too, that the impetus ought to be in the direction of lower mortgage interest, insofar as we can possibly affect mortgage interest rates upon the fundamental basis that we have an outstanding commitment to the country made by the President, and the President has, in effect, said that if it is necessary to accept deficits in order to avoid a recession he will accept deficits. So whatever stimulus is required to the use of the productive capacity of the country—and new-home starts are certainly one of its fundamental bases—I hope very much that it will be given, and I think it is very salutary and indeed very encouraging that this measure brought out by this committee represents a realization in part of that commitment, and that we are not afraid at all to undertake a direct lending program and extend it where it is necessary to expand the rate of home construction. I hope that same philosophy of initiative and doing something affirmative about our problems will

continue to control with this majority in the House of Representatives.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks immediately following the sustaining of the point of order to my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SADLAK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, pursuant to House Resolution 480, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

RED CHINA MUST BE KEPT OUT OF THE U. N.

(My BYRD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include additional matter.)

Mr. BYRD. Mr. Speaker, under leave to extend my remarks, I wish to include an article which appears in the April edition of the American Legion magazine. Harold Lord Varney is the author of this article, and it is entitled "Why Red China Must Be Kept Out of the U. N."

There is no subject toward which I have a stronger feeling than the subject matter of this article. To admit Red China to the United Nations would be, in my way of thinking, a tragic error, a political blunder of the greatest magnitude, and a retreat from high moral principles unthinkable in the minds and hearts of freedom-loving, God-fearing peoples the world over. I recommend the reading of this article to the membership of this House.

WHY RED CHINA MUST BE KEPT OUT OF THE U. N.

(By Harold Lord Varney)

Are we headed for another Yalta?

Absurd as it may seem, high-level American and British policymakers are definitely thinking in terms of another "deal" with Moscow. The nub of the deal is the purchase of a phantom Far East peace by the admission of Red China to the United Nations. It is all very hush-hush at this stage, but there are accumulating signs that top figures in American and British foreign policy are already committed to this dishon-

orable step. The initial moves are likely to be seen in the aftermath of the recent Four Power Conference at Berlin.

Secretary Dulles gave a hint of what was in prospect in his November 9 statement that American opposition to Red China in the U. N. is not a "permanent policy." Ambassador Arthur H. Dean, on January 3, disclosed the ploy which will be used to sell the deal to the public when he talked about an American New Look at Far East policy aimed at detaching Red China from Russia—the old Tito nonsense. British VIPs, spearheaded by former Prime Minister Clement Attlee, have been insistent for admission—and admission now. This whole discussion comes after 4 years of twisting and turning by former Secretary Acheson on the admission issue.

In the sobering shadow of America's 32,000 Korea dead, it seems little short of sacrilege to propose that Red China be allowed to shoot its way into the U. N. Wherever public opinion has been sampled, Americans have been virtually unanimous against it. Only last July, the House of Representatives, by a vote of 379 to 0, put Congress on record against admission of Red China. Currently, the Committee for One Million, supported by many Legionnaires, is circulating a giant petition to President Eisenhower to keep Peking out of the U. N. Senator WILLIAM F. KNOWLAND has a widely supported resolution before the Senate providing for outright American withdrawal from the U. N. if Red China comes in. In the face of these plain indications of American sentiment, shortsighted American and British policymakers are proceeding doggedly with the plan. The timetable, set by Soviet Russia, calls for a showdown this year.

When and if the deal is made, it will be executed with deceptive diplomatic slickness and finesse. The fact that it is appeasement in its rawest form will be skillfully disguised by unctuous talk about peace. Just as Yalta was sold to the American public as an agreement that would save 300,000 American lives in Japan, so United Nations admission will be plugged as the move which will make possible the end of American blood-letting in Korea. When the issue is decided, the United States may even go through the motions of voting "No" in the U. N. Security Council if Russia and Great Britain find they have enough votes to win without us. The important thing is that we will not use the veto—we have already renounced that right, on the China issue, by accepting the U. N. thesis that admission is a procedural action to which the veto does not apply.

When the surrender comes it will be done with mirrors.

What such a decision will mean to the United States, in terms of national security, is plain to see. U. N. admission of Red China followed, as it inevitably will be, by American recognition of Mao Tse-tung's government, will mean an abrupt about-face in American Far East policy. With all our China mistakes of the last decade, we have never abandoned our support of the free forces in China in their struggle to reclaim that country for the free world. Admission and recognition of Peking will be an unmistakable sign that we have relinquished our fight for a free China. It will be an announcement that we have recognized the finality of Communist rule over the 470 million Chinese. It will be a bitter message to Chiang Kai-shek, and notice to the tens of millions of Chinese who are still in resistance that their cause is doomed. Worse, it will be an unmistakable signal to anti-Communist South Koreans, Japanese, Indochinese, and others who are holding the thin line for the free world in East Asia, that the United States is an uncertain ally in the fight against the glacial advance of communism.

The end result is certain to be the collapse of the whole free world position in East

Asia, with its unimaginable consequences of future acute danger to the United States.

If we adopt this policy of scuttle and run in the Far East, what will it mean to future America in terms of basic security? In our reliance upon day-to-day expedients, few Americans have taken time to think out the long-range implications of our blundering Far East policy since 1945. There has been a tragic failure to recognize that a permanently communized Asia will confront the United States with a world in which we cannot continue to live as a free nation.

Any honest facing of Far East realities brings us squarely up against two overriding facts which should be the key and the timetable for all our Far East decisions. These are: (1) That the United States now stands close to the peak of its power and world preeminence; and (2) that Soviet Russia, backstopped by China, while now far behind, is coming forward at a pace which could conceivably overtake and pass the United States sometime in the decade beginning 1970.

If we keep these facts clearly in mind, we shall understand the impelling reason for Russia's urgency that Red China be admitted forthwith to the U. N., an urgency which first manifested itself when Malik walked out of the U. N. in 1950. We shall also understand why the United States, if it values its future, cannot in safety yield an inch to the Moscow-Peking axis on this issue. Admission, with the resultant consolidation of Communist power in Asia, is the No. 1 step in Russia's strategic plan to overtop America.

To realize the yawning abyss which lies before America if we permit Russian schedules to work out, it is necessary to envisage the immense military potential which Red China is likely to reach in the decade of the seventies. If we resignedly accept the thesis that continental China is to be permanently ruled by the Communists, as the British and many Americans are now doing, then we are up against some extremely uncomfortable prospects.

We must face the fact that China is a "sleeper" among great nations which, for over 30 years, has been on the brink of a spectacular industrial awakening. It is the irony of history that the awakening now seems fated to come under communism, instead of free China. What has delayed the awakening has been the unbroken procession of civil and foreign wars which palsied Kuomintang China during the 21 years of Chiang Kai-shek. No single period of more than 12 months during the Generalissimo's rule was free from warlord, anti-Japanese or anti-Communist strife. The present Communist regime, for the first time in modern Chinese history, has a relatively united continental country behind it, and can proceed uninterruptedly with the industrialization of China. It is doing so today.

The idea that China, like Japan before it, can develop an industrial system of terrific productivity is not new, nor is it the discovery of the Communists. As long ago as 1921 Dr. Sun Yat-sen, father of the Kuomintang, sketched the outlines of China's master plan for industrialization. It was an overall plan which included railway and highway building, conservation, better housing, modernized agriculture, public health, and far-reaching engineering and mining projects. It called for a network of technical and vocational schools to prepare a technically-trained future generation.

For 28 years, this Sun Yat-sen plan was the unfinished business of Nationalist China, repeatedly held up before Chinese gaze by Chiang Kai-shek as the great economic goal which could be realized with the attainment of peace. It was the malign fate of the Kuomintang leaders that they never attained peace.

The Communists, when they seized China in 1949, dusted off the old Sun Yat-sen plan

and bolshevized it. Mao used his first 3 years of rule to carry out a 3-year plan to repair the ravages of the World War II and rebellion years and to restore China to its 1937 productivity levels. For Manchuria the sights were set on the 1943 Japanese production mark. Mao has substantially reached his goal, if we may believe available reports. The magnitude of the reconstruction task may be inferred from the 1952 report of Po Yi-po, Peking Minister of Finance, that \$3 billion (U. S.) was allocated that year in the national budget to economic reconstruction—an amount which topped 1952 defense totals by approximately 75 percent. This despite the drain of the Korean war.

Red China is now in the first of what promises to be a series of 5-year plans, which will equip the nation with a mass production economy. Like the Soviet model, the plans will mount in crescendo with the years. The first plan, while providing a year-by-year stepup of all present industries and mines, as well as farm productivity, proposes to lay the foundation for what is to follow.

First, and most significant, it will beat the China transportation problem by linking up China's western and northwestern rail networks with Soviet Russia. All indications point to the vast border province of Sinkiang—a storehouse of undeveloped and largely unexplored mineral riches—as the intended pivot of China's industrialization program. The discovery of uranium in undisclosed richness southwest of Tihwa is a preview of what may come. Russian technicians have been in Sinkiang, except for a few years in the forties, since 1933, secretly mapping out the resources and strategic possibilities of the province. The current 5-year plan will see Red China's rail line between Lanchow and Tienshui in the northwest, and the uncompleted line between Chungking and Tienshui in the west, joined up with Soviet Russia by a railroad which will be driven 1,200 miles through Sinkiang to the Siberian border. A Russian line will then link this trans-Sinkiang railroad with Russia's own Turk-Sib Railroad, which parallels the China Northwest frontier, and thence with the trans-Siberian line.

Once this is completed, the way will be clear for the construction of a great top secret industrial district in China's northwest, secure from ordinary attack from the Pacific direction, which will be a tributary of the vast complex of war plants which Russia has conjured up in the Lake Baikal, Kurnetsk Basin and Tashkent areas. Direct rail connection with Siberia will give the new Chinese development an uninterrupted supply and equipment link with Russia itself, and the European satellites.

When we recall the recent National Geographic Society disclosure that Russia's primary atom bomb and power plants are located in the Lake Baikal region, and near the uranium deposits in the Uzbek Republic at Tashkent, we can see the broader significance of the Sinkiang developments in China. The Tashkent area is just across the border from Sinkiang. China's emerging industries will be joined with Russia's string of Central Siberian war industries. The two economies will constitute a single burgeoning unit, pointed at America.

While the focus is on the northwest, Red China is proceeding steadily with the restoration and extension of the great industrial complex which the Japanese created in Manchuria. Here Red China has come in for a free legacy in the form of the estimated \$2 billion capital investment which Japan sank in the province. It was Chinese Communist immobilization of this region—the richest in China—that strangled Chiang Kai-shek's economy during the nightmarish years between 1945 and 1948, and which contributed heavily to his fall. Since they gained full control of Manchuria in 1948, the Chinese

83^D CONGRESS
2^D SESSION

H. R. 8152

IN THE SENATE OF THE UNITED STATES

MARCH 25 (legislative day, MARCH 1), 1954

Read twice and referred to the Committee on Banking and Currency

AN ACT

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title III of the Servicemen's Readjustment Act of 1944,
4 as amended, is hereby amended as follows:

5 (1) By striking out "June 30, 1954" from clause (C)
6 of section 512 (b) and inserting "June 30, 1955" in lieu
7 thereof.

8 (2) By striking out "June 30, 1954" from the first

1 sentence of section 513 (a) and inserting "June 30, 1955"
2 in lieu thereof.

3 (3) By striking out "June 30, 1955" from the third
4 sentence of section 513 (c) and inserting "June 30, 1956"
5 in lieu thereof.

6 (4) By striking out "June 30, 1954" from the first
7 sentence of section 513 (d) and inserting "June 30, 1955"
8 in lieu thereof.

Passed the House of Representatives March 24, 1954.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

MARCH 25 (Legislative day, MARCH 1), 1954

Read twice and referred to the Committee on
Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued July 20, 1954

For actions of July 19, 1954

83rd-2nd, No. 135

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate agreed to conference report on watershed bill. Senate committee voted to exclude farmers from social security bill. House received conference report on housing bill. House committee reported bill to increase CCC borrowing power, Rules Committee cleared bill. House committee reported water-facilities loans bill. House debated supplemental appropriation bill. House passed bill to authorize rotation of CCC stocks, sales of small lots, etc. House passed bill authorizing additional contract research.

SENATE

1. SOIL CONSERVATION. Agreed to the conference report on H. R. 6788, to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation (pp. 10426-9).
2. SOCIAL SECURITY. The "Daily Digest" states that, during consideration of H. R. 9366, the social security bill, the Finance Committee "rescinded previous action relating to voluntary coverage of farm operators...and agreed to exclude the farm operators...as under existing law" and "with regard to agricultural workers, agreed to adopt, in lieu of House provisions, a test requiring \$50 in earnings from one employer" (p. D856).
3. EDUCATION. Agreed to the conference reports on H. R. 7434, to establish a National Advisory Committee on Education, and H. R. 9040, to authorize cooperative research in education (pp. 10476-7).
4. VOCATIONAL REHABILITATION. Agreed to the conference report on S. 2759, to promote and assist in the extension and improvement of vocational rehabilitation (pp. 10424-6).

5. FAR. LOANS. The Banking and Currency Committee reported with amendment H. R. 8152, to extend to June 30, 1955, the direct home and farmhouse loan authority of the Veterans' Administration under the Servicemen's Readjustment Act, and to make additional funds available therefor (S. Rept. 1911)(p. 10417).
6. ATOMIC ENERGY. Continued debate on S. 3690, to revise the Atomic Energy Act (pp. 10429-71, 10479-95). Most of the debate related to TVA.
7. PLANT PATENTING. The Judiciary Committee reported with/ ^{out amendment} H. R. 5420, providing that patents may be obtained on cultivated sports, mutants, hybrids, and newly found seedling plants (S. Rept., 1937)(p. 10478).
8. ADMINISTRATIVE PROCEDURE. The Judiciary Committee voted to report S. 17, to provide general rules of practice and procedure before Federal agencies (p. D857).
9. FARM PROGRAM. Sen. Aiken (for himself and Sens. Hickenlooper, Williams, Schoepel, Welker, Holland, and Anderson) submitted amendments, intended to be proposed jointly by them, to S. 3052, the farm program bill (p. 10419).
10. RECLAMATION. Sen. Bennett spoke in favor of the upper Colorado River project (p. 10420). Sen. Kuchel criticized the project (pp. 10471-6).
11. DROUGHT RELIEF. Sen. Symington urged additional drought relief, including beef purchases and a hay program (pp. 10420-1).
12. ROADS. Sen. Ferguson inserted a newspaper editorial favoring the President's new highway program (p. 10495).
13. LEGISLATIVE PROGRAM. Minority Leader Johnson said: "I do not believe we will meet the July 31 deadline" (p. 10497). Majority Leader Knowland said: "I hope ...we can complete as soon as possible after July 31 the legislative program..." (p. 10498).
14. APPROPRIATIONS. Received from the President supplemental appropriation estimates for payment of claims and judgments against the Government (S. Doc. 144)(p. 10416).

HOUSE

15. SUPPLEMENTAL APPROPRIATION BILL, 1955. Began and concluded general debate on this bill, H. R. 9936 (H. Rept. 2266)(pp. 10327-42). The bill is to be read for amendment today. For provisions of the bill, see Digest 134.
16. CCC STOCKS. Passed without amendment S. 1381, to authorize rotation of CCC stocks, sale of small lots of commodities, etc. (p. 10315). This bill will now be sent to the President.
17. RESEARCH. Passed without amendment S. 2367, to authorize this Department to enter into contracts for the conduct of research (p. 10315). (Such authority is already available for research performed under the Research and Marketing Act.) This bill will now be sent to the President.
18. ANIMAL DISEASE. Passed without amendment S. 2583, to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of vesicular exanthema (applies only to Oregon)(p. 10315). This bill will now be sent to the President.

DIRECT HOME LOANS FOR VETERANS

JULY 19 (legislative day, JULY 2), 1954.—Ordered to be printed

Mr. CAPEHART, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 8152]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill do pass.

GENERAL STATEMENT

The purpose of this measure is to amend sections 512 and 513 of the Servicemen's Readjustment Act of 1944, as amended, to extend from July 31, 1954,¹ to June 30, 1955, the authority of the Administrator of Veterans' Affairs to make direct home loans to veterans when they cannot get loans from private lenders on as favorable terms.

The bill also would increase the funds available for direct loans by not to exceed \$200 million to be advanced by the Secretary of the Treasury in quarter annual installments of \$50 million, less such amounts as shall be received by the Administrator in the preceding quarter annual period from the sales of direct loans to private lenders.

In addition, the Administrator would be authorized to sell direct loans to "any person or entity approved for such purpose", thus broadening the existing provision which limits the sale of such loans to "any private lending institution evidencing ability to service loans."

COMMENT

Your committee has been advised that the existing allocation of \$25 million per quarter has not been sufficient to satisfy fully all the

¹ S. J. Res. 167, Public Law 438, 83d Cong., 2d sess., extended such sections from June 30, 1954, to July 31, 1954.

requests for direct home loans since the quarterly annual system was established by Public Law 325, 82d Congress, although this sum has contributed measurably toward meeting the needs of veterans.

Since the renewal of the program by the Congress in Public Law 101, 83d Congress, approved July 1, 1953, there has been some general improvement, to be sure, in the availability of GI-loan funds on an overall basis. However, such improvement has been confined predominantly to a relatively few urban areas.

Nevertheless, the size of the waiting list still is substantial. Reliable evidence has been presented to the effect that unless the present rate of quarterly advance is materially increased the most that can be expected of the Veterans' Administration is to keep even with incoming requests from veterans for direct home loans.

Your committee is of the opinion that the present backlog should be processed first. This is one of the compelling reasons for increasing the amount of the quarter annual installments.

As a means of encouraging a turnover in the veteran direct loan portfolio, the Veterans' Administration would be enabled to sell direct loans to "any person or entity approved for such purpose approved by the Administrator" instead of being limited in such sales; as at present, to "any private lending institution evidencing ability to service loans." This should expand considerably the potential market for such loans and help the direct-loan fund to revolve more rapidly. Among others, individuals, pension funds, trusts, educational institutions, and eleemosynary institutions would thus be permitted to purchase direct loans.

CHANGES IN EXISTING LAW

In compliance with clause 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

THE SERVICEMEN'S READJUSTMENT ACT OF 1944, AS AMENDED

* * * * *

SUPPLEMENTAL DIRECT LOANS TO VETERANS

* * * * *

PURCHASE OR CONSTRUCTION OF HOMES

SEC. 512. * * *

(b) Loans made under this section shall bear interest at the rate of 4 per centum per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable: *Provided, That—*

(C) the authority to make loans under this section shall expire [July 31, 1954] *June 30, 1955*, except that if a commitment to make such a loan was issued by the Administrator prior to that date the loan may be completed subsequent to such date.

* * * * *

(d) The Administrator is authorized to sell, and shall offer for sale [to any private lending institution evidencing ability to service loans], *to any person or entity approved for such purpose by the Administrator* any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title.

* * * * *

SEC. 513. (a) For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after [July 31, 1954] *June 30, 1955.*

* * *

* * * * *

(c) In order to make available the sums payable under subsection (a) of this section and to effectuate the purposes and functions authorized in section 512 of this title, the Secretary of the Treasury is hereby authorized to use, as a public debt transaction, the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act as now in force or as hereafter amended, are hereby extended to include such purposes. Such sums, together with all receipts hereunder, shall be deposited with the Treasurer of the United States, in a special deposit account, and shall be available, respectively, for disbursement for the purposes of section 512 of this title. Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than [June 30, 1955,] *June 30, 1956,* he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. * * *

(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of \$25,000,000 as the Administrator may request, and is authorized and directed to advance from time to time thereafter until [July 31, 1954] *June 30, 1955,* such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of [\$25,000,000] *\$50,000,000* less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title.

* * * * *



Calendar No. 1926

83^D CONGRESS
2^D SESSION

H. R. 8152

[Report No. 1911]

IN THE SENATE OF THE UNITED STATES

MARCH 25 (legislative day, MARCH 1), 1954

Read twice and referred to the Committee on Banking and Currency

JULY 19 (legislative day, JULY 2), 1954

Reported by Mr. CAPEHART, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That title III of the Servicemen's Readjustment Act of 1944,
4 as amended, is hereby amended as follows:

5 (1) By striking out "June 30, 1954" from clause (C)
6 of section 512 (b) and inserting "June 30, 1955" in lieu
7 thereof.

8 (2) By striking out "June 30, 1954" from the first

1 sentence of section 513 (a) and inserting "June 30, 1955"
2 in lieu thereof.

3 (3) By striking out "June 30, 1955" from the third
4 sentence of section 513 (e) and inserting "June 30, 1956"
5 in lieu thereof.

6 (4) By striking out "June 30, 1954" from the first
7 sentence of section 513 (d) and inserting "June 30, 1955"
8 in lieu thereof.

9 *That the Servicemen's Readjustment Act of 1944, as*
10 *amended, is hereby amended—*

11 (a) *by striking out of clause (C) of section 512 (b)*
12 *"July 31, 1954" and inserting in lieu thereof "June 30,*
13 *1955";*

14 (b) *by striking out of section 512 (d) "to any*
15 *private lending institution evidencing ability to service*
16 *loans" and inserting in lieu thereof "to any person or*
17 *entity approved for such purpose by the Administrator";*

18 (c) *by striking out of the first sentence of section*
19 *513 (a) "July 31, 1954" and inserting in lieu thereof*
20 *"June 30, 1955";*

21 (d) *by striking out of the third sentence of section*
22 *513 (c) "June 30, 1955" and inserting in lieu thereof*
23 *"June 30, 1956";*

1 (e) by striking out of the first sentence of section
2 513 (d) "July 31, 1954" and inserting in lieu thereof
3 "June 30, 1955";

4 (f) by striking out of section 513 (d) the second
5 time it appears the sum of "\$25,000,000" and inserting
6 in lieu thereof the sum of "\$50,000,000".

Passed the House of Representatives March 24, 1954.

Attest:

LYLE O. SNADER,

Clerk.

[Report No. 1911]

AN ACT

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

MARCH 25 (legislative day, MARCH 1), 1954

Read twice and referred to the Committee on
Banking and Currency

JULY 19 (legislative day, JULY 2), 1954

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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83rd-2nd, No. 144

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HIGHLIGHTS: House passed bill to increase CCC borrowing power. House agreed to corrections in enrollment of housing bill. House voted against sine die adjournment July 31. Senate committee reported flood control bill. Senate agreed to conference report on tax revision bill. Senate debated mutual security authorization bill. Senate committee ordered reported supplemental appropriation bill. Rep. Multer criticized USDA's request for further increase in CCC borrowing authority. Senate recalled water-facilities loans bill and agreed to bills correcting clerical errors.

HOUSE

1. COMMODITY CREDIT CORPORATION. Passed, 317-57, without amendment H. R. 9756, increasing the borrowing power of CCC from \$8.5 billion to \$10 billion (pp. 11965-6).
2. MINERALS. Agreed to the conference report on S. 3344, to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of public lands (pp. 11967, A5553-5).
3. HOUSING LOANS. Agreed to a Senate concurrent resolution correcting errors in the enrollment of H. R. 7839, the housing bill (pp. 11966-7, 12010). This bill will now be sent to the President.
4. ADJOURNMENT. By a 183-193 vote, rejected H. Con. Res. 265, providing for sine die adjournment of Congress on July 31 (p. 11966).
5. TEXTILES. Rep. Deane inserted an analysis of the textile industry which he compiled from information obtained from the Legislative Reference Service and other sources (pp. 11971-5).
6. COFFEE PRICES. Received from the Federal Trade Commission a report, "Investigation of Coffee Prices" (p. 12029).

SENATE

7. WATER-FACILITIES LOANS. Recalled S. 3137, to amend the Water Facilities Act; reconsidered the vote by which the Senate agreed to House amendments to the bill; and concurred in the House amendments with further amendments for the purpose of correcting clerical errors in the bill (pp. 11898, 11958, 12000).
8. FARM PROGRAM. The amendment by Sen. Williams to S. 3052 (see Digest 143) is identical to his bill, S. 3815, which would provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas.
 Sen. Goldwater (for himself and Sen. Hayden) submitted an amendment which he intends to propose to this bill. Sen. Aiken (for himself and Sens. Hickenlooper, Schoeppel, Holland, and Anderson) submitted an amendment in the nature of a substitute which they intend to propose to the bill. (p. 11896.)
9. FOREIGN AID. Continued debate on H. R. 9678, the mutual security authorization bill for 1955 (pp. 11900-29, 11956-63).
10. SUPPLEMENTAL APPROPRIATION BILL, 1955. The Appropriations Committee ordered this bill reported with amendments (p. D913).
11. FLOOD CONTROL. The Public Works Committee reported with amendments H. R. 9859, the omnibus flood control bill (S. Rept. 2007)(p. 11892).
12. MINERALS; PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment S. 3071, to amend the act authorizing agricultural entries under the non-mineral-land laws of certain mineral lands (S. Rept. 2009)(p. 11893).
13. FARM LOANS. Passed as reported H. R. 8152, to extend to June 30, 1955, the authority of the Veterans' Administration for direct home and farmhouse loans under the Servicemen's Readjustment Act, and to make additional funds available therefor (pp. 11926-7).
14. TAXATION. Agreed to the conference report on H. R. 8300, to revise the internal revenue laws (pp. 11929-54). This bill will now be sent to the President. Sens. Morse and Humphrey discussed an amendment which had been proposed by Sen. Humphrey regarding grain storage facilities and the contemplated purchase by CCC of additional facilities (pp. 11942-4).
15. PERSONNEL. Sen. Williams inserted and discussed an amendment which he intends to propose (on behalf of himself and Sen. Schoeppel) to H. R. 7774, the incentive awards bill. The amendment would prevent persons who are convicted of certain crimes from participating under the Civil Service Retirement Act, but would provide for refunds to such persons of the amounts which they had contributed to the retirement fund. (p. 11897.)
16. FOREIGN AID. Sen. Wiley commended the technical assistance program and inserted newspaper editorials on this matter (p. 11899).
17. NOMINATION of Lawrence Quincy Mumford, to be Librarian of Congress, was confirmed (p. 11964).

BILLS APPROVED BY THE PRESIDENT

18. RECLAMATION. H. R. 6786, authorizing Interior to purchase improvements or pay damages for removal of improvements located on U. S. public lands in the

For instance, tin and rubber from Malaya might be withheld from us should Red China come into possession of that country.

COVERS 77 ITEMS

According to the Malone report, 77 minerals and materials, included in this report, are vital to the maintenance of the American economy and its prowess as a military force. It lays down this finding absolutely:

"The Western Hemisphere will be the only dependable source of the critical raw materials in the event of an all-out world war.

"The delivery of any such critical materials to this Nation across a major ocean during such a conflict will be highly 'problematical'."

This position is unquestionable in the nature of modern warfare. The oceans can be closed down until one power or the other gains a total victory. The schnorkel submarine, the atomic submarine, and the long-distance airplane make the ocean lanes of traffic unsuitable in war. The Pacific Ocean was unsafe for the transportation of supplies of rubber and tin during World War II, with the result that the United States was forced to develop a synthetic-rubber industry based on the Baruch report. It will be forgotten, of course, how Fiorello La Guardia desperately collected tin cans in the hope of meeting the tin crisis, cans which eventually helped to fill the Jersey meadows.

The hope of meeting future crises is in a hemispheric cultivation of mineral production and the means for the transportation of minerals and their products without the perils of the seas. The "Europe first" attitude of the State Department resulted not only in the loss of China but also in the partial abandonment of the Latin American countries. This committee lays emphasis on the importance of regarding the Western Hemisphere and cultivating its economy as a unit. It says:

"It is imperative to the security of this Nation and to the nations of the Western Hemisphere that they foster the greatest measure of self-sufficiency in the production of the critical materials.

"It is vital to our domestic welfare, economy, and security that maximum economic production be maintained within our borders.

"The Western Hemisphere can be defended.

"The Western Hemisphere can be made self-sufficient in the production of the critical materials which are essential in war and in peace."

NO OTHER ALTERNATIVE

In time of war there will be no alternative to self-sufficiency. Once the oceans are closed down to commerce, we shall have to exist on what we have within our own boundaries or what we have stockpiled or what we can bring to our smelters and mills from within the Western Hemisphere. Much of our thinking on this subject has been based on the assumption that many strategic minerals and materials were available only in Europe, Asia, or Africa.

It is like that famous speech on "acres of diamonds"—we seek all over the world for what can be found in our backyard. The committee found:

"During the last two decades, established procurement practices have dangerously increased our dependence upon nations across major oceans for the critical materials without which this Nation cannot survive.

"Evidence is conclusive that we have become dependent upon overseas suppliers across such major oceans for many of such critical materials. We must avoid dependence upon an overseas supplier to the extent that he could suddenly render us impotent by withdrawing supplies of critical materials during a world conflict, or could use such dependence as a political or economic bargaining lever."

The supply of minerals and essential materials is the first task of war preparedness in this age.

[From the Journal-American of July 21, 1954]

WE DON'T KNOW OUR MINERAL WEALTH

(By George E. Sokolsky)

It is surprising to learn from the report of the Malone committee that less than 1 percent of the area of the United States has been included in geological investigations. How then do we know what our mineral wealth is? We are constantly being told that our foreign policy is to a degree based on our shortages of certain minerals and materials. How do we know? Only 12.5 percent has been geologically mapped by the United States Geological Survey which began to work in 1880.

I wonder how much of our various contributions to foreign aid has been spent in distant countries to discover minerals that have to be brought to us across the oceans in time of war? The defeat of the French in Indochina means, in American terms, that Burma, Malaya, and Indonesia are in peril within a few years, thus imperiling our principal source of tin and raw rubber.

The Malone committee definitely assures the country: "The United States cannot possibly exhaust its present and potential fuels supply including petroleum and coal in the foreseeable future. The absolute necessity for going-concern industries cannot be overemphasized."

LARGE OIL RESERVES

The petroleum industry benefits by depletion allowances which encourage risk investments in this commodity. The committee recommends that depletion allowances be granted other mineral industries as an incentive for risk investment. The committee reports: "Enormous oil reserves are found in the shales and/or coal of Colorado, Wyoming, Utah, Kentucky, Indiana, and Ohio, as well as in Canada. It has been estimated these shales contain over 200 billion barrels of oil. Experimental work by the Union Oil Co. and Bureau of Mines in pilot plant operation shows that petroleum production from this source is entirely practicable and that vast amounts of oil may be produced in the foreseeable future. The Green River formation in Colorado alone has been described as an area of 1,000 square miles with an underlay of oil shale 500 feet thick averaging a recovery of 15 gallons of oil per ton."

The Malone committee favors a protective policy for the American mineral industry so that American risk capital will go into these businesses. The point is made: "Mines once closed down require years of time and tremendous investments to reopen. With experienced workers and technical staffs widely scattered, machinery liquidated, mines flooded and caved, much of our once available reserves are destroyed, and prospecting for new reserves is discouraged. Failure to realize the situation could mean tragedy to our economy and our material security.

"Numerous administrative agencies and departments of the Government are involved in the stockpile program, or in efforts to increase the production of critical materials. They act independently of each other and none are charged with the complete operation. Many are not cognizant of the end objectives of the program. Their activities are marked by confusion and delay."

WE IMPORT TITANIUM

There are 77 essential mineral and materials without which it is impossible to conduct war or to maintain our industries. In case of war, it would probably be impossible to bring these minerals and materials to this country across the oceans. The Malone committee sought to discover whether these minerals and materials are available on the American continents.

For instance, titanium is one of the most important minerals. It is essential for bomber planes flying great distances at su-

personic speeds. This country needs 150,000 tons of titanium annually and we produce 2,000 tons. The committee reports: "In 1953 the Secretary of Defense recommended the production of 35,000 tons of titanium annually by 1956. The Office of Defense Mobilization reduced the figure to 25,000 tons and up to September 21 of that year the General Services Administration had let contracts for 13,200 tons and the actual annual production was little over 2,000 annual tons."

If titanium has to be brought across oceans, it is possible that we shall not have any in wartime. At present, Australia and India are sources of the raw material. Obviously this material could not be brought across the Pacific Ocean in the event of a Far Eastern war. India may prevent us from shipping this war essential at the behest of the Soviet Universal State. According to Senator GEORGE MALONE's committee, there is more ilmenite, from which titanium is made, in the United States and Canada than could be used in a century. Why are we going to India for this material?

Mr. President, the hearings and report to which Mr. Sokolsky refers were held and the report submitted to the Senate in response to Senate resolution No. 143 passed by the first session of the 83d Congress on July 28, 1953 and the report rendered to the Senate on July 9, 1954, and is available to the public.

PAN-AMERICAN SELF-SUFFICIENCY, 77 CRITICAL MATERIALS, PEACE AND WAR SECURITY

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks an article by E. F. Tompkins, editor of the New York Journal-American, entitled "Our Hope of Security," published in the New York Journal-American of July 27, 1954.

Mr. President, Mr. Tompkins' editorial experience and ability is nationally recognized. He is fearless in voicing his convictions and principles.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAN-AMERICANISM: OUR HOPE OF SECURITY (By E. F. Tompkins)

Are these assertions true?

1. The United States is incurably dependent on Asia, Africa, and Europe for critical raw materials necessary for us either to live in peace or conduct a war.

2. Consequently we must adopt free trade, send vast sums of money overseas in foreign aid, and sink our sovereignty in world government; otherwise, how can we procure from distant and sometimes hostile continents the strategic items required for our survival?

Now available are two compendious and conflicting answers to the question.

The affirmative reply was given in 1952 by the President's Materials Policy Commission, of which Mr. William S. Paley was Chairman. The rebuttal has just come from a congressional subcommittee under the chairmanship of Senator MALONE, of Nevada.

FIFTY-EIGHT HEARINGS HELD

The documents are interlocking. The Malone committee, which held 58 hearings, included the Paley Commission in its purview. It says:

"The report of this commission * * * has been widely quoted by economists, conservationists, and social scientists. It has been referred to in international meetings and in discussions at the United Nations as an authoritative text. * * * It has had

a profound influence on the policies of many Government agencies dealing with the production of critical materials."

This is quite true. Washington has in its bureau drawers legislative proposals emanating from the Paley report. In U. N. sessions, the Paley report is cited to support global "planned economy" schemes. To impress Americans, the report warned that this country's practices, if continued, would "exhaust its mineral supply by 1975." And recommendation was made "that our tariffs should be lowered."

The Malone committee minimizes the Paley commission's findings as "a compendium worked out by economists and theorists based upon statistical assumptions of questionable validity." It holds that Commission "woefully lacking in skilled engineers, geologists, and men with industrial background."

This can be accounted for. The Commission was a part of the Truman administration. Naturally, then, its "experts" represented Truman-Acheson policies, which—the Malone report alleges—were mainly formulated by Alger Hiss and the late Harry Dexter White.

The Malone committee took a technological approach. It checked, item by item, the 77 strategic raw materials on the Defense Department's list, "which we have acquired by imports from abroad." It quotes military authority to show that, in a third world war, we would be cut off by sea and air from the foreign sources and thereby defeated. It concludes, therefore, that worldwide internationalism provides no security.

CAN BE DEVELOPED

The Malone report puts reliance solely in the Western Hemisphere, which it says actually contains, although still undeveloped, everything we need in strategic materials.

"This area," the committee finds, "can be defended and can be made self-sufficient in the production of such materials."

"We recommend that the spirit of the 130-year-old Monroe Doctrine prevail in our relations with the nations of the Western Hemisphere."

The Malone committee's position is thus an economic counterpart of the Eisenhower administration's recent reaffirmation of the Monroe Doctrine as the kernel of our diplomatic relations.

Mr. MALONE. Mr. President, I particularly call attention to the closing paragraph that the report presented to the United States Senate on July 9, 1954, in response to Senate Resolution 143, is, and I quote:

The Malone committee's position is thus an economic counterpart of the Eisenhower administration's recent reaffirmation of the Monroe Doctrine as the kernel of our diplomatic relations.

EDITORIAL, MINING AND CONTRACTING REVIEW, SALT LAKE CITY, UTAH—AMERICAN DEPENDENCY UPON FOREIGN NATIONS 77 CRITICAL MATERIALS

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks an editorial entitled "Recommended Reading," published in the Mining and Contracting Review of July 1954.

Mr. Burt B. Brewster, E. M., editor and publisher of the Mining and Contracting Review is well and favorably known among the mining fraternity of the Nation.

Mr. Brewster has had long experience in the field of mining and understands the importance of going-concern industries to our security and our national economic structure.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RECOMMENDED READING

Whether it be coal, metals, wool, or other raw material, each has been the subject of vicious and false propaganda. The Malone committee report should refute this propaganda. It has, surprisingly enough, been given wide publicity in the press and in periodicals. One finding—to do with the have-not philosophy—confirms the raw materials industries' charges. It says:

"Much of our present national policy is based on the assumption that the United States is definitely a have-not nation in respect to a considerable number of vital and strategic raw materials, viz: that we have exhausted our minerals and ores."

"This assumption is one of the greatest frauds and hoaxes ever perpetrated on the American people. It has had a sinister origin and has been perpetuated by various commissions, principally manned by economists, who, despite the pretense of detailed study, have failed to examine into the fundamentals."

"These so-called experts, not experienced in problems of production, have had no actual production or mining experience but have relied on statistical material wrongly interpreted and consequently misleading."

"This false assumption has had a direct bearing on the conduct of our foreign policy. It has led us to underwrite the fiscal systems and the cost policies of various foreign states whose friendship is deemed of the greatest importance due to their possession of raw materials which we are believed to lack."

"As the matter now stands, there is every possibility that our current dependency on foreign sources of supply may be the weak link in our defense that makes it attractive to the Russians to embark on a war on the simple score of a feasible short war. This strategic motivation could invite an effort to cut off the United States from sources of critical raw materials essential to its industrial plan, and hence to our ability to wage war."

It is to be hoped that the President—so long concerned with the welfare of industry in foreign countries—can tear himself away from his captors, the internationalists, long enough to read the Malone committee report, particularly the section quoted above.

The disregard for our national security and economic welfare on the part of the President's advisers and international chums is criminal, if not indirectly treasonable, in view of the fact that most the foreign nations for whom the United States has done so much are now thumbing their noses at the United States. In such an atmosphere our domestic economy should come first—lest the Communist hope for our financial and industrial collapse come about.

Enough of psalm singing.

Mr. MALONE. Mr. President, Mr. Brewster is correct when he says that "as the matter now stands there is every possibility that our current dependency on foreign sources of supply may be the weak link in our defense that makes it attractive to the Russians to embark on a war on the simple score of a feasible short war."

EXTENSION OF TITLE III OF SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. KNOWLAND. Mr. President, the Senator from Indiana has a bill which he would like to have considered at this time, by unanimous consent. The bill has been cleared with the minority, and

I understand it is unanimously approved. It must go to conference, because of the expiration date involved. This measure deals with veterans' loans.

Mr. CAPEHART. Mr. President, the existing law on this subject expires on July 31. Therefore, it is important that this bill be passed promptly, for it must go to conference.

So, Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar 1926, House bill 8152, to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available thereunder, and for other purposes.

Mr. MAYBANK. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. Let me say, in speaking for the Democratic side, that the distinguished Senator from Alabama and all the others of us unanimously approve the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

There being no objection, the Senate proceeded to consider the bill (H. R. 8153) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available thereunder, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and insert:

That the Servicemen's Readjustment Act of 1944, as amended, is hereby amended—

(a) by striking out of clause (C) of section 512 (b) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(b) by striking out of section 512 (d) "to any private lending institution evidencing ability to service loans" and inserting in lieu thereof "to any person or entity approved for such purpose by the Administrator";

(c) by striking out of the first sentence of section 513 (a) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(d) by striking out of the third sentence of section 513 (c) "June 30, 1955" and inserting in lieu thereof "June 30, 1956";

(e) by striking out of the first sentence of section 513 (d) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(f) by striking out of section 513 (d) the second time it appears the sum of "\$25,000,000" and inserting in lieu thereof the sum of "\$50,000,000."

Mr. HUMPHREY. Mr. President, let me ask what the nature of the amendment in the form of a substitute is?

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield, to permit me to answer the question?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. The situation is that the Senate passed the provisions now carried in this bill, as a substitute for a part of the general housing bill. The House has passed a separate bill. We have stricken out the House language, and have inserted our own.

Mr. CAPEHART. Yes.

Mr. MAYBANK. And we inserted a provision for \$50 million as a revolving fund for veterans.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. CASE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. KNOWLAND. I yield for a parliamentary inquiry.

Mr. CASE. The junior Senator from South Dakota would like to inquire whether any action has been taken with respect to the committee amendment which would preclude the offering of amendments to the paragraph dealing with the use of foreign currency. It is the opinion of the junior Senator from South Dakota that the use of foreign currency by committees of Congress should be put under as strict control as any other use of such funds.

The PRESIDING OFFICER (Mr. PAYNE in the chair). There has been no action taken on amendments except on page 82, starting at line 13, and ending on line 6 on page 83. Now pending is the amendment offered by the Senator from Wisconsin [Mr. WILEY].

Mr. CASE. Would the adoption of the amendment offered by the Senator from Wisconsin preclude the offering of an additional amendment to subparagraph (b), on page 129?

The PRESIDING OFFICER. The Chair is advised that it would be possible to offer an amendment to the Wiley amendment.

Mr. CASE. Or to the remainder of the paragraph?

The PRESIDING OFFICER. In other words, if the Senator from South Dakota were precluded from offering an amendment at that particular time, there would be no question that he would be able to offer his amendment after action has been taken on the Wiley amendment.

Mr. KNOWLAND. Mr. President, I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the Committee on Armed Services held executive hearings on the Mutual Security Act subsequent to the time the bill had been reported by the Committee on Foreign Relations.

The basic purpose of the hearings conducted by the Armed Services Committee was to ascertain whether the programs contemplated by the Mutual Security Act actually strengthen our own

national security rather than weaken it by draining off badly needed resources.

In effect, therefore, the purpose of the Armed Services Committee was to take what might be termed a "purely military" look at this program.

After extensive consultations with witnesses who have key responsibilities in the field of national security, the committee concluded that this program is of invaluable aid to our own national security. We feel that it is an indispensable counterpart to the measures which we take to arm and equip our own soldiers, sailors, airmen, and marines. The program makes a clear-cut, definite contribution to our own military readiness by placing our allies in a better position to resist the common enemy.

There is one paragraph of the bill, however, which caused the committee considerable apprehension. After hearing the original testimony on this particular paragraph, the committee recalled the Chairman of the Joint Chiefs of Staff for additional testimony.

The paragraph to which I have referred is in section 503 (b) (1), relating to the June 30, 1955, termination of the program.

Both Under Secretary of State Smith and Admiral Radford recommended strongly against this provision.

The basis for their concern was a strong feeling that the language of this portion of the bill would create in the minds of our friends the feeling that, after June 30, 1955, the United States would discontinue its program of mutual security.

The language to which Secretary Smith and Admiral Radford disagree provides that after June 30, 1955, none of the authority to be conferred by the bill may be exercised for carrying out any function authorized by title I or title II, except for certain liquidating or winding-up operations.

Since military assistance is authorized by title I, chapter 1, of the act, the effect of the amendment is to terminate all military assistance programs on June 30, 1955, except that during the succeeding 24 months; (1) military assistance funds obligated on or before that date may be spent; (2) military equipment for which funds have been obligated on or before that date may be delivered; and (3) military assistance funds may be obligated to the limited extent necessary to meet delivery and liquidating expenses.

In the opinion of the witnesses, the fixing of an arbitrary date and, particularly, one as close at hand as June 30, 1955, which would cut off all existing military assistance programs except for winding up operations, is unwise.

None of us wants to continue the mutual defense assistance program for a moment beyond the time required in the national security interests of this country.

But to say that all existing military assistance programs, excepting for winding-up operations, must cease next June 30, seems to be entirely out of keeping with the current world situation.

Certainly the threat of world communism is not decreasing today. In

fact, most of us will agree that the Soviet Union and Red China represent an increasing menace to world peace over the foreseeable future.

Mr. President, the recent action of the Senate in adopting unanimously the last paragraph of section 101 of the committee amendment, on pages 82 and 83, indicates the feelings of the Senate in this regard.

The realities of the world situation are such that we must accept that there will be a continuing need for at least a degree of military assistance for some time to come. The military aid program even though limited in scope is an integral part of our own defense planning; and any attempt to completely terminate it prematurely, or to create an impression that we are about to completely terminate it prematurely, is harmful to our own security.

Even now we are making the basic plans for mutual aid programs for fiscal year 1956—plans of a scope which those responsible for our national security consider essential.

The language in section 503 (b) (1) implies that such programs will not be permitted. It is not enough to say that the report filed by the Committee on Foreign Relations states that such is not the intent of the language. The fact remains that those who are responsible for meeting our responsibilities in the field, and in negotiating with our friends and our enemies, are seriously concerned as to the impact of this language.

Furthermore, countries that have entered into mutual defense arrangements with the United States look to us for leadership and guidance in matters affecting national security. Every action undertaken by the United States is watched with the closest attention, not only by our potential enemies, but particularly by our friends. Such a provision as is contained in the bill might well be construed by many of our friends as a step away from the concept of mutual defense.

Mr. President, I should also like to point out that the 2-year liquidation provision of the amendment would not be adequate in the light of the long lead-time required to produce and deliver such items as ships and aircraft. In many cases, if the Defense Department obligated funds for these items during the current fiscal year, we would not be able to deliver all of the items within the 2 following fiscal years.

Under this language, of course, deliveries of all items, including ships and aircraft, will be cut off on June 30, 1957, even if the items were in the last stages of production and almost ready for delivery.

I have been informed that the Mutual Security Act of 1951, as amended, contains language similar to that of this amendment, with a termination date of June 30, 1954. This date was inserted when the legislation was drafted in 1951; and, of course, at that time the termination date was several years in advance.

Last year the Congress continued the termination date of June 30, 1954, but

made the following explanation in the conference report:

The June 30, 1954, date was adhered to not because the committee of conference believed that all forms of assistance to other nations would finally terminate on that date, but because they felt that a basic overhauling of the legislation dealing with foreign aid is necessary before that date.

Congress also agreed to make liquidation period for military assistance 3 years, instead of 2.

Mr. President, I bring the foregoing considerations to the attention of the Senate at this time for the express purpose of bringing out the opposition to the language contained in section 503 (b) (1) of the bill as expressed by responsible officials called before the Armed Services Committee to testify.

It is not my intention to move that the bill be amended. I do feel, however, that the concern of the State Department and the Joint Chiefs of Staff in this matter should be made a matter of record, so that the conferees later to be appointed on this bill may be fully informed as to the apprehension which was so forcefully expressed to our committee, and will be prepared either to modify the language or to take whatever other action they believe wise in the conference.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. SMITH of New Jersey. Let me say that I appreciate the fine statement the Senator from Massachusetts has made in support of the work of the committee and the committee report on this matter. Do I correctly understand that it is the position of the Armed Services Committee that, as a committee, it is registering general opposition to the section which provides for the termination of this operation?

Mr. SALTONSTALL. The feeling of the committee was that this section should be very seriously considered from the point of view of eliminating it. But in view of the time and the desire of the majority leader and the Foreign Relations Committee to get the matter before the Senate, we decided not to eliminate the section in the committee, where, of course, there would have been considerable discussion, but to have the bill as reported by the Foreign Relations Committee, brought to the floor of the Senate, and to have the chairman of the committee make a statement along the lines of the statement I have just made.

Mr. SMITH of New Jersey. I thank the Senator from Massachusetts.

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. MANSFIELD. The Senator from Massachusetts has referred to the amendment I offered in the committee, which was adopted there, and about which some discussion occurred in the Armed Services Committee, of which the distinguished Senator from Massachusetts is chairman.

The reason I spoke today was to prevent any possibility that the amendment

would be deleted, because last year the Senate unanimously agreed to the proposition that the Mutual Security Administration should end on June 30, 1954—29 days ago. The Senate allowed a 3-year extension for liquidating military aid and a 2-year extension for liquidating economic aid.

Because of the lateness in considering the bill this year, I changed an original amendment I had to terminate absolutely on December 31, 1954, the FOA, as such; and I substituted, instead, another amendment, which would allow an added year of life to the FOA, namely, to June 30, 1955, but, keeping in line with the intent and the spirit of what the Senate unanimously did last year, cutting down the liquidation period of military assistance from 3 years to 2 years, and the liquidation period of economic assistance from 2 years to 1 year.

The Senator from Massachusetts speaks of responsible officials downtown, and I assume he refers to Secretary Dulles and Admiral Radford. I think we are responsible officials, too; and I think we had better wake up to the fact that if we do not put our foot down, this aid program will become a permanent fixture in the executive branch of the Government of the United States.

If the Senator from Massachusetts is opposed to this particular proposal, I would be willing to have it brought to a vote today, so all of us can go on record as to whether we favor aid on a permanent basis or whether we think aid should go through the Department of Defense and the State Department, on the recommendation and request of the President of the United States in pursuance of specific limited objectives in line with the foreign policy of the United States.

The reason I made this speech was to make it as crystal clear as I knew how that this amendment meant abolishing the FOA as of June 30, 1955, and I hope that if it comes to a vote the Senate will do just what it did last year, and unanimously adopt the amendment. I certainly hope that if the amendment stands in the bill, as I think it will, when the bill goes to conference the amendment will be retained, so that the FOA, this independent temporary agency, which seeks to make itself permanent, will be on notice that as of June 30, 1955, it is through and finished, and that any other aid which is contemplated must be carried on at the specific request of the President, through the proper department, and must be in line with limited and specific objectives in accord with the foreign policy of the United States.

I wanted to make my position clear. I desire to see this agency abolished. I do not believe in permanent-temporary agencies.

Mr. KNOWLAND. Mr. President, I should like to suggest, if I may, to the distinguished chairman of the committee, that we can open up the debate on the foreign-aid bill as soon as the conference report on the tax bill has been taken care of. This is obviously a question in which there is a wide difference of opinion; the distinguished Senator from Massachusetts [Mr. SALTONSTALL] has expressed his opinion, as chairman

of the committee, and the distinguished Senator from Montana [Mr. MANSFIELD] has presented the point of view that he submitted to the Foreign Relations Committee. I respectfully suggest, inasmuch as a number of Senators who urged that they be given advance notice of the taking up of the conference report on the tax bill are now present, that we may be permitted to proceed with that report.

Mr. SALTONSTALL. I appreciate the courtesy of the majority leader in letting me make the brief statement I have made. I realize my point of view is a little different from the point of view of the Senator from Montana [Mr. MANSFIELD], not as different as he would indicate. I agree with the Senator from California, and I shall not discuss the matter now but I will be willing and glad to discuss it later.

THE CONGRESSIONAL HABIT OF APPROPRIATING TAXPAYERS MONEY FOR EUROPEAN COUNTRIES

Mr. MALONE. Mr. President, will the Senator yield to permit me to ask a question of the distinguished Senator from Massachusetts?

Mr. KNOWLAND. Yes, I yield for a question.

Mr. MALONE. I should like to emphasize, in asking the question I am in agreement with the distinguished junior Senator from Montana [Mr. MANSFIELD], and that it is time that we eliminate, after 6 or 7 years, the temporary agencies setup to expend billions of our taxpayers money without rhyme or reason. That has become a habit.

I want to ask the distinguished Senator from Massachusetts [Mr. SALTONSTALL] if he thinks we should continue these habits, remain in these ruts, following the executive branch of the Government without question, of appropriating large sums of money each year, starting with 1948, the \$17 billion in 1948 and continuing to the present time, and now projecting such appropriations in the indefinite future.

I should like to ask the distinguished Senator from Massachusetts if he is in favor of continuing such appropriations and gifts to foreign countries without a quid pro quo.

Mr. SALTONSTALL. I realize that the Senator has made a statement rather than asked a question.

Mr. MALONE. I asked a question of the distinguished Senator from Massachusetts, does he agree that Congress should continue such appropriations or gifts to foreign nations without any return and with no repayment. Congress has been doing just that since World War II. This Senate of the United States is a deliberative body; it is supposed to deliberate and consider the welfare of our own taxpayers before continuing the division of their wealth.

Mr. SALTONSTALL. I will say to the Senator from Nevada I do not think we should continue temporary agencies indefinitely. I had intended to make that statement to the Senator from Montana. I shall be glad to make it to the Senator from Nevada.

I think certain language in the bill could be changed in a way to help our security and promote the peace of the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 6, 1954
For actions of August 5, 1954
83rd-2nd, No. 150

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HIGHLIGHTS: Senate debated farm program bill. Senate agreed to correction of tax revision bill. Senate committees reported bills to authorize Mexican fence, extend watershed law to territories, and increase debt limit. House received conference report on mutual security authorization bill. Joint Committee on Economic Report submitted its report. House sent supplemental appropriation bill to conference and authorized filing of report during recess. Rep. Hill outlined SBA's help in providing grain storage. Rep. Johnson, Wis., urged action on resolution for FTC investigation of milk marketing. Reps. Hope and McCormack discussed emergency farm loans bill.

SENATE

1. FARM PROGRAM. Continued debate on S. 3052, the farm program bill (pp. 12728-41, 12744-62, 12765-805). Sen. Knowland expressed a hope that a vote will be taken today on the Aiken amendment to provide for flexible supports, at 80% to 90% of parity, for 1955. Sens. McCarthy, Schoepfel, and Lehman submitted amendments which they intend to propose to the bill (p. 12721).

The amendments mentioned in Digest 148 would provide as follows: The Williams amendment would require a contribution of 25% to 50% by States to the cost of feed or seed furnished for drought relief. The Smith-Payne amendment would permit the Secretary to designate a State as outside the commercial wheat area if its allotment is 2,500 acres or less, provide that wheat quotas not apply in such cases, and fix price support for wheat to cooperators in such areas at 75% of the support to cooperators in commercial area. The Anderson amendment is identical to S. 3339, to authorize FCA to make Land Bank Commissioner-type loans, as passed by the Senate (see Digest 134).

2. TAXATION. Both Houses agreed to corrections in H. R. 8300, the tax revision bill (pp. 12834, 12777). This bill will now be sent to the President.

3. SOIL CONSERVATION. The Agriculture and Forestry Committee reported with amend-

ments S. 3774, to extend the benefits of the Watershed Protection and Flood Prevention Act to Alaska, Hawaii, and Puerto Rico (S. Rept. 2218)(p. 12721).

4. MEXICAN FENCE. The Interior and Insular Affairs Committee reported without amendment S. 114, authorizing appropriations for construction, operation, and maintenance of the western land boundary fence project (S. Rept. 2227)(p. 12809).

5. DEBT LIMIT. The Finance Committee reported with amendments H. R. 6672, to increase the Government debt limit (S. Rept. 2225)(p. 12809). The "Daily Digest" states that the committee "agreed to temporary increase of \$6 billion (from \$275 billion to \$281 billion) to be terminated June 30, 1955" (p. D948). As passed by the House during the last session, the bill would increase the limit by \$15 billion without the provision regarding its temporary nature.

6. PERSONNEL; RETIREMENT. The Post Office and Civil Service Committee reported without amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (S. Rept. 2230)(p. 12809).

The Committee reported with amendments S. 2631, to prohibit the payment of Government retirement benefits to persons convicted of certain offenses (S. Rept. 2231)(p. 12809).

7. FOREIGN AID. Sen. Wiley urged restoration of the provision for U. N. technical assistance (pp. 12727-8).

HOUSE

8. SUPPLEMENTAL APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 9936 (p. 12819). Senate conferees have been appointed. The House conferees were authorized to file a report during the House recess at any time through Sat. (p. 12834).

9. ECONOMIC REPORT. The Joint Committee on the Economic Report submitted a report (H. Rept. 2628)(p. 12855).

10. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act (S. Rept. 2629)(p. 12855).

11. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported with amendment S. 3379, to amend the Flammable Fabrics Act so as to exempt from its application fabrics and wearing apparel which are not highly flammable (S. Rept. 2630)(p. 12855).

12. FARM LOANS. House conferees were appointed on H. R. 8152, to extend to June 30, 1955, the direct home and farm-house loan authority of VA and to make additional funds available therefor (p. 12827). Senate conferees have been appointed.

13. GRAIN STORAGE. Rep. Hill outlined the contribution of loans by the Small Business Administration in providing grain-storage facilities (p. 12812).

14. MILK MARKETING. Rep. Johnson, Wis., urged action on H. J. Res. 554, his proposal for a study and investigation of the milk-marketing system by the Federal Trade Commission (p. 12813).

I am not worried about the restaurants, because very few of the 535,000 restaurants in our country serve trout, and, if they do, it is my experience that most of them are honest enough to sell what the American citizen thinks he is buying. If the American public is going to buy foreign trout, then the restaurateur will tell him so, but if they will not, if they are honest restaurant men, sell as Rocky Mountain trout something grown somewhere else.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. BURDICK. I do not quite understand the language on lines 10, 11, and 12 on page 3. Will the gentleman tell me what that means?

Mr. SIMPSON of Pennsylvania. No, I have not translated it myself as yet. Referring to page 3, lines 10, 11, and 12, perhaps, the gentleman will tell us.

Mr. BURDICK. I do not know.

Mr. SIMPSON of Pennsylvania. They are the kinds of trout which are grown in this country, I presume, which we want to protect so that our children and their children can go out and catch American grown trout.

Mr. BURDICK. Well, I want to know if it includes suckers and bullheads. We have a lot of them.

Mr. SIMPSON of Pennsylvania. It includes anything of high American quality.

If I may complete my statement, if we are to have American industry protected here and if it is worthwhile to protect that industry and protect the growth that comes to our country as a result, in finishing I would like to bring this matter to the climax, which, I think, is the important one, namely, if we are to protect this industry and make it possible for live trout to be available for propagation in the trout streams of our country under the guidance of the local fish and game associations, we can best do it by supporting this legislation which will permit the American industry to increase in size, improve its production and, thus, increase trout fishing throughout the streams of our country.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. MADDEN) there were—ayes 90, noes 86.

Mr. KLUCZYNSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and eighteen Members are present; a quorum.

Mr. KLUCZYNSKI. Mr. Speaker, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. ALLEN of Illinois and Mr. MADDEN.

The House again divided; and the tellers reported that there were—ayes 107, noes 84.

Mr. KLUCZYNSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. I thought there was a similar objection prior to the vote and that the Speaker counted a quorum.

The SPEAKER. The gentleman from Indiana is correct.

Mr. KLUCZYNSKI. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The Chair inquires of the majority leader if he wants to put the vote over. A sufficient number have demanded the yeas and nays.

Mr. HALLECK. Mr. Speaker, I have just discussed the matter with the minority leader, the gentleman from Texas [Mr. RAYBURN], and he tells me that he had an agreement with some of the Tennessee Members that if there was to be a record vote today it would be put off until a later date in view of the fact that the Tennessee primaries are being held today. In view of that statement of the minority leader, I have no alternative except to ask unanimous consent that further proceedings in connection with the bill now under consideration be postponed until Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, in view of the fact that a measure is to be called under discharge petition on Monday, will the vote on the pending matter be the unfinished business?

The SPEAKER. The Chair will say that the roll call on this rule will follow action on the discharge petition.

APPOINTMENT OF COMMITTEES

Mr. HALLECK. Mr. Speaker, I send to the desk a resolution (H. Res. 698) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That ELIZABETH PRUETT FARRINGTON, the Delegate from Hawaii, be, and she is hereby, elected an additional member of the following standing committees of the House of Representatives: Committee on Agriculture, Committee on Armed Services, and Committee on Interior and Insular Affairs.

The resolution was agreed to, and a motion to reconsider was laid on the table.

DIRECT HOME AND FARMHOUSE LOAN AUTHORITY OF THE ADMINISTRATOR OF VETERANS' AFFAIRS

Mr. AYRES. Mr. Speaker, I ask unanimous consent to take from the Speaker's

table the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, with Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none and appoints the following conferees: Mrs. ROGERS of Massachusetts and Messrs. KEARNEY, AYRES, TEAGUE, and DORN of South Carolina.

AMENDING ATOMIC ENERGY ACT OF 1946, AS AMENDED

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the House conferees on the bill H. R. 9757 may have until midnight Saturday night to file a report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

UNITED STATES BUREAU OF MINES

(Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks at this point in the Record.)

Mr. KELLEY of Pennsylvania. Mr. Speaker, those of us in the Congress who have worked hard over the years to build up the excellent United States Bureau of Mines, including its remarkably successful mine safety program, were simply flabbergasted last week by a report issued by the Department of Interior, parent organization of the Mines Bureau.

It was one of the most cold-blooded "get Government out of business" hair documents I have seen in a long time, even though this administration seems to be working overtime at ridding the Government of functions which help all of the people.

In brief, the suggestions made by a survey team appointed by the Secretary of the Interior and approvingly endorsed by him include:

First. Pulling the teeth of the mine safety law by redirecting its purpose from that of policing unsafe mines to education in mine safety. When the Mines Bureau had only the power to educate and recommend, fatalities soared. Since it has had the power to close unsafe mines, and require compliance, fatalities have dropped to zero.

Second. Eliminating much of the Mines Bureau's research work in the conversion of coal to synthetic liquid fuels, while at the same time expanding the Bureau's work in the search for new petroleum reserves. This looks strictly like oil industry propaganda to kill off coal-to-oil research.

Third. Getting rid of the Government's helium, zirconium, and titanium research and development operations. These materials, so vital to national defense, would never have been developed as they have been if the Government had

not undertaken the heavy expense of the research work. Now the whole business is to be turned over to possible private monopolies which could place the Government at their mercy.

SABOTAGING THE MINE-SAFETY PROGRAM

To us in the coal areas, the most important and most shocking of these recommendations is the one to throw the mine-safety program back into the shape it was in prior to the passage of the new law in the 81st Congress—the one which gave the Federal inspectors the right to enforce their recommendations. As chairman of the House Labor Subcommittee which handled this legislation, I lived through the terrific fight which preceded its passage and heard over and over again all the old arguments advanced to block the bill which are now trotted out to seek to destroy its effectiveness.

The survey team, composed of a college professor, a copper company official, a coal corporation executive, a leading oil man, and an industrial materials expert, even went so far as to recommend that the United States inspectors give a mine a day's advance notice before showing up to make an inspection. The reason it gave for that tipoff suggestion was as follows:

This procedure would save the time of the inspectors, the mine-safety committee, and the mine management. When an inspector arrives unannounced, after a shift starts, time is wasted in getting together the proper people for the inspection.

What about the lives which would be wasted if these inspections came only after a day's coverup warning? This suggestion was so extreme, the Department of Interior said it would reserve judgment on that one.

But it is seeking to put into effect others to consolidate the whole eastern part of the United States, with its wide variety of diverse Mines Bureau problems, into a single region; to close down oil shale research and drastically reduce work on coal gassification or liquifaction; to drop helium, zirconium and titanium operations, and so on.

LIKE TURNING SEC OVER TO THE STOCK MARKET

It struck me that this report was as fantastic as if the Securities and Exchange Commission were to suggest turning over to the States or to the stock exchange the policing of the laws on honesty in securities; as if the Civil Aeronautics Board were to let the States or even the airlines regulate commercial aviation; as if the Interstate Commerce Commission were to let the States or even the railroads handle all railroad safety enforcement.

Under the mine-safety program, lives have been saved that would otherwise have been lost. We cannot ridicule that kind of record.

JOBLESS MILLIONS AND FAMILIES IGNORED IN GOP RUSH TO ADJOURN

(Mr. RHODES of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RHODES of Pennsylvania. Mr. Speaker, I wish to take this opportunity to ask if the Eisenhower administration intends to adjourn this Congress without doing something about the Nation's serious economic situation. There are many areas in all parts of the country where there is considerable suffering and distress because of enforced idleness of many thousands of working people. My district is especially hard hit.

How can the Republican leadership continue to ignore the plight of these people, or to say that it is not a serious matter?

Several days ago I was shocked by the insertion in the CONGRESSIONAL RECORD by one of our Republican colleagues from Ohio. It pooh-poohed recession talk and pointed to the record profits of General Motors and other giant corporations for the first 6 months of 1954. But people in my district do not accept the administration philosophy. They do not believe that what is good for General Motors is necessarily good for the Nation. In fact, a General Motors contract caused very serious unemployment and distress in my district when a tank contract was shifted to GM.

The prosperity now being enjoyed by big monopolies is of little comfort to the millions of workers and their families who must live on inadequate unemployment insurance benefits. It means much less to those whose unemployment insurance checks are running out.

Tax advantages voted by this administration to monopoly interests have permitted increased profits to empires like du Pont, General Electric, and General Motors, despite reduced sales. Yet the Eisenhower leadership has refused to make adequate improvements in unemployment insurance benefits, or to aid the average citizen with tax relief or a public works program.

The rush by this administration to give to the special interests natural resources, tax advantages, public lands, and the people's investment in atomic secrets is a sorry contrast to its do-nothing policy on issues involving the health, prosperity, and welfare of the people.

Let us have some action before we quit.

TRADING WITH THE ENEMY ACT

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 690 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2420) to amend section 32 of the Trading With the Enemy Act, as amended, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recom-

mended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. MADDEN], and yield myself such time as I may desire.

Mr. Speaker, I rise to urge the adoption of House Resolution 690, which will make in order the consideration of the bill (S. 2420) to amend section 32 of the Trading With the Enemy Act, as amended.

House Resolution 690 provides for an open rule, waiving points of order with 1 hour of general debate. The rule would also provide for the consideration of the committee substitute amendment as an original bill for purposes of amendment. A separate vote may be demanded on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. One motion to recommit with or without instructions would be in order.

Mr. Speaker, this bill would authorize the President to turn over certain property to organizations designated by the President to be used for the rehabilitation and resettlement in the United States of persecuted persons. The property involved in this bill was property owned by persecuted persons who died without heirs.

A limit of \$3 million would be established by this bill regarding the total value of the property which may be turned over to these organizations.

According to the report on this bill, Mr. Speaker, efforts in this general direction have been going on for several years.

The Bureau of the Budget has approved of the objectives outlined in this bill and it has the approval of the Department of State.

Mr. Speaker, since this rule is an open one and therefore open to amendment I can see no valid objection to the House adopting the rule. I hope that the House adopts the rule so that we may proceed to the consideration of this bill.

Mr. MADDEN. Mr. Speaker, I have no requests for time.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. HINSHAW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2420) to amend section 32 of the Trading With the Enemy Act, as amended.

The motion was agreed to.



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 9, 1954
For actions of August 6 and 7, 1954
83rd-2nd, Nos. 151 and 152

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HIGHLIGHTS: Senate debated farm program bill and agreed to limit debate. Senate committees reported foreign-aid, appropriation and customs simplification bills. Sens. Hennings and Thye criticized drought-relief program.

SENATE - AUG. 6

1. FARM PROGRAM. Continued debate on S. 3052, the farm program bill (pp. 12864-94, 12896-941). Agreed that, beginning Mon., debate on the Aiken amendment (providing for flexible supports) be limited to 5 hours, that debate on other amendments be limited to 2 hours each, and that debate on the bill itself be limited to 3 hours (pp. 12910-11). Sen. Knowland said it is unlikely that any vote will be taken before 5 p. m. Mon. (pp. 12909-10).
2. FARM LOANS. Senate conferees were appointed on H. R. 8152; to continue the direct home and farmhouse loan authority of VA (p. 12896). House conferees have been appointed.
3. FOREIGN-AID APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 10051 (S. Rept. 2268)(p. 12859). The "Daily Digest" states; "As approved by the committee, the bill would provide total funds of \$2,990,824,816, an increase of \$94,880,816 over the House-passed figure of \$2,895,944,000" (p. D954).
4. SURPLUS PROPERTY. The Government Operations Committee reported with amendment S. 3772, to provide for payment of appraisers', auctioneers', and brokers' fees from the proceeds of disposal of Government surplus real property (S. Rept. 2314)(p. 12859).

5. CUSTOMS SIMPLIFICATION. The Finance Committee reported with amendments H. R. 10009, to provide for review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, etc. (S. Rept. 2326)(p. 12942).
6. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendment S. 2821, consenting to an interstate compact for disposition of waters of the Missouri River Basin (S. Rept. 2322)(p. 12859).
This Committee ordered reported without amendment H. R. 2843, authorizing the Interior Department to investigate the water resources of Hawaii (p.D955).
7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 5499, to authorize the Michaud Flats project, Idaho (S. Rept. 2320) (p. 12859).
8. FORESTRY. Sen. Humphrey maintained that various conservation organizations are against the revised stockmen's grazing bill (pp. 12894-5).
9. FOREIGN AID. Sen. Wiley spoke in favor of the foreign-aid program (pp. 12895-6).
10. RESEARCH. Sen. Wiley recommended Government actions to encourage more adequate Government use of scientific manpower (pp. 12862-3).

SENATE - August 7

11. FARM PROGRAM. Continued debate on S. 3052, the farm program bill (pp. 12949-64, 12968-84, 12986-3013, 13018-23). Sen. Aiken submitted an amendment, and Sen. Douglas submitted amendments, which they intend to propose to this bill (p. 12947).

On Aug. 4 Sen. Holland submitted seven amendments which he intends to propose to this bill. The amendments would (1) require particular consideration to a balance between soil-conserving and soil-depleting crops in ACP; (2) provide for 90% price supports for any basic crop for which marketing quotas are in effect immediately following a crop for which marketing quotas were not in effect; (3) prohibit ACP payments to persons who knowingly plant a basic commodity in excess of the farm acreage allotment; (this now pertains only to cotton); (4) require that, when limitations on the use of diverted acres are necessary to prevent excessive supplies, the producer may not produce for sale on acreage diverted from crops receiving price support, or may so produce only within limitations; (5) require the Secretary, whenever he finds the application of restrictions under a marketing order to an imported commodity is not practicable because of variations in characteristics between the domestic and imported commodity, to establish with respect to the imported commodity such grade, size, etc., by varieties, type, etc., as he finds will be equivalent to those imposed upon the domestic commodity; (6) delete proposed authority in the bill to give the Secretary authority to fix (in addition to providing a method for fixing) the size, capacity, etc., of containers which may be used in packaging, transportation, etc., of any fresh or dried fruits, vegetables, or tree nuts, providing the action does not conflict with the Standard Containers Acts; and (7) delete the requirement that "a majority of" the processors approve marketing orders for grapefruit for canning or freezing (but not the canned or frozen product) before marketing orders may be made applicable therefor.

I tried to make clear the position of our major conservation organizations. The Senator from Vermont tried to indicate that earlier objections had been changed, and that conservation organizations were now for this amendment.

Just to keep the record straight, Mr. President, I want to ask unanimous consent to place in the body of the RECORD at this point a group of telegrams I have received indicating that my warning, and the warning of the fine Senator from Montana who has always tried to protect the interests of sportsmen and conservationists, were both well taken. I repeat and emphasize, the sportsmen of America, the conservationists of America, are against this amendment which is merely a rehash of S. 2548, which in itself is a politely worded rehash of the original stockman's bill that stirred up a battle cry of protest among conservationists of this country. I know that other Senators have received similar telegrams protesting this amendment, and invite them to make known their determination that this not be included in the farm bill now before us.

The first telegram reads:

Practically all national conservation organizations still opposing amended version stockmen's grazing bill S. 2548 and protest attaching measure affecting administration of 200 million acres of national forest and Bankhead-Jones lands as a mere rider on farm bill, S. 3052. Several State affiliates of National Wildlife Federation are strongly in opposition.

It is signed by a number of those affiliates.

I have telegrams also from the Minnesota division of the Izaak Walton League; from the executive secretary of the Forest Conservation Society of America; from the Minnesota Conservation Federation, signed by Mr. Cliff Sakry, who, by the way, is one of the officers of the organization which the Senator from Vermont said was in support of the bill, and one from the Floodwood Timber Farmers Association. I ask that these telegrams be inserted in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 4, 1954.

HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

Practically all national conservation organizations still opposing amended version stockmen's grazing bill, S. 2548, and protest attaching measure affecting administration of 200 million acres of national forest and Bankhead-Jones lands as a mere rider on farm bill, S. 3052. Several State affiliates of National Wildlife Federation are strongly in opposition.

Forest Conservation Society of America, Spencer Smith, Secretary; Outdoor Writers Association of America, Michael Hudoba, Conservation Director; Izaak Walton League of America, William Voigt, Jr., Executive Director; North American Wildlife Foundation, C. R. Gutermuth, Secretary; National Parks Association, Devereux Butcher, Editor; Sierra Club, Richard M. Leonard, Director; Sport Fishing Institute, R. W. Eschmeyer, Executive Vice President; Wilderness Society, Howard Zahniser, Executive Secretary; Wildlife Management Institute, Ira N. Gabrielson, President.

MINNEAPOLIS, MINN., August 4, 1954.

Senator H. HUMPHREY,
United States Senate,
Washington, D. C.:

Urgently solicit your best efforts toward defeat of Aiken amendment to farm bill. This apparently underhand attempt to sneak stockmen's grazing efforts in.

MINNESOTA DIVISION, IZAAK
WALTON LEAGUE,
GEORGE LAING, President.

MINNEAPOLIS, MINN., August 4, 1954.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Your opposition to stockman's grazing amendment in Aiken agricultural bill strongly urged. This legislation would confer private rights in public lands belonging to 160 million people. It would seriously cripple conservation regulations needed for watershed protection and selective cutting.

CHARLES H. STODDARD,
Executive Secretary,
Forest Conservation Society of America.

ST. PAUL, MINN., August 5, 1954.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Minnesota Conservation Federation backing you in fight to defeat national forest grazing bill from Aiken amendment to agricultural bill, S. 3052. Your work for conservation greatly appreciated.

MINNESOTA CONSERVATION
FEDERATION,
CLIFF SAKRY,
Executive Secretary.

MINNEAPOLIS, MINN., August 4, 1954.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Floodwood Timber Farmers' Association strongly opposes Aiken grazing amendment in agricultural bill. Transfer of national forest rights made possible by this amendment would cause serious hardship among small timber producers and ranchers. Resolution adopted at meeting in Floodwood August 2.

FRANK W. HUTCHINSON,
FLOODWOOD, MINN.

WHY WISCONSIN FAVORS FOREIGN AID

Mr. WILEY. Madam President, it has been my privilege this afternoon to have discourse with 35 or 36 of our young brethren from overseas. They are boys and girls from 9 different countries in Europe and 1 from New Zealand. They have spent a whole year in the homes and schools of my State. Mrs. Wiley and I got what could be described as a great "kick" out of meeting and exchanging ideas with them. I believe they have acquired a knowledge of America and our way of life that will bear fruit in our future international relations.

I know of no better way to meet the impact of communism than for people, especially young ladies and gentlemen, to get acquainted with the homes and institutions of America, not by reading about them but by living in the midst of them. That is what these youngsters have done.

I read in the paper today that the real issues in Senator KEFAUVER's campaign were the Bricker amendment and mutual aid, and that Senator KEFAUVER stood against the Bricker amendment and for the mutual aid, and was nomi-

nated by a vote of more than 2 to 1. That indicates to me that the heart and soul of America are all right.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. HUMPHREY. I thank the Senator for his remarks about our inspiring young people who are here with us today.

Mr. WILEY. Can the Senator recognize them in the gallery?

Mr. HUMPHREY. I think I see some of them up in the gallery. I have been shaking hands with many of them. Many of them spent a year in the glorious area of America known as the State of Minnesota. Perhaps they even had an opportunity to cross the St. Croix River into Wisconsin. They had a wonderful year.

Mr. WILEY. Is not the Senator running for election again? I heard something about that.

Mr. HUMPHREY. The Presiding Officer [Mr. THYEL] is aware of the opportunity they had for splendid environment and good education.

Mr. WILEY. I am glad to yield to anyone who loves his home State and his own country as the Senator does; and I am glad to see sitting in the Presiding Officer's chair at this time the distinguished senior Senator from Minnesota.

After all, Minnesota has about 10,000 lakes, while Wisconsin has about 8,000. The Mississippi and the St. Croix Rivers are between us.

Both States have Lake Superior to the north; but we go Minnesota one better. We have Lake Michigan on the east. Both our States have much to be grateful for. We are a happy, resourceful people. And these young people have seen how happy and healthful and prosperous we are. But, above all, we have faith in God and in our blessed institutions. We wish our young visitors a happy return to their homelands. May they never forget America and Wisconsin's dairy products.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have prepared on the subject Why Wisconsin Favors Foreign Aid.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

MUTUAL AID IS VITAL TO WISCONSIN AND
THE NATION

I was interested to note in yesterday's August 5 CONGRESSIONAL RECORD, beginning on page A5822, comments made by one of my distinguished colleagues on the House side from the Badger State.

My good friend attempted to answer certain points which I had made at the outset of the mutual security debate in the Senate.

In my opening remarks, I had pointed out the indisputable fact that the State of Wisconsin had received a good many economic benefits from the mutual aid program.

Wisconsin farmers had benefited from improved export markets; Wisconsin businessmen had benefited from increased overseas customers. These markets and customers—representing \$286 million worth of Wisconsin sales—had been in a healthy position thanks to the wise American aid program.

So, I pointed out that by strengthening foreign economies we were, in effect,

strengthening our own. I pointed out that military and economic aid abroad isn't a one-way street. It is a two-way street in which benefits flow back and forth across the Atlantic and Pacific.

My colleague, however, pointed out, in turn, that Wisconsin's share of the cost of the overall mutual aid program was and is considerable.

That is not stating anything new on his part. The fact of the matter is, that the public has heard for eight and more years about the costs of our economic and military aid program, but it has heard almost nothing of the economic benefits to our own country of that program.

Therefore, my colleague was simply adding repetition to repetition in a narrow view of the costs. Simultaneously he was trying to belittle important facts which have not previously been brought to the attention of the American public.

But the facts stand nonetheless. Wisconsin has benefited from the mutual aid program and so has every other State of the Union.

Wisconsin has benefited, too, from our allies' tens of billions of dollars of NATO expenditures—money which these countries have invested independently and in collaboration for mutual defense.

But all my colleague can apparently do is speak of costs.

Let me say that all of us who favor the program (and, fortunately, we are more numerous than the adherents of my colleague) are aware of these costs. We are aware of the burden on United States taxpayers, but we know that those costs and burdens could be 3, 4, or 5 times worse if mutual aid did not exist and if Western Europe, for example, were swallowed up by Russia.

Why does not my colleague point that out?

Why does he not point out that the President of the United States, the head of my colleague's own political party, the Chief Executive, who is certainly no spendthrift, is heart and soul for this aid program?

Let me say very emphatically that this is no personal dispute between my colleague and myself. We respect one another, we have been friends a long time, but we do differ on these principles.

If my colleague chooses to ignore the position of the head of his party, the position of the majority of his party in both the Senate and House, the position of his party's leadership in the executive and legislative branches, that is his prerogative.

I, in turn, simply want to point out these facts. I cite them in a spirit of clarity and friendship, and for no other purpose.

FOREIGN AID HAS NOT FAILED

The major point made by my associate is that the foreign-aid program has allegedly failed because of communism's advances since World War II. This fallacious argument also has a moth-eaten quality. It has been used year after year, over and over; and, to my way of thinking, it is completely beside the point.

The basic question is not, "Has communism grown since World War II?" Obviously, it has grown, unfortunately. The only real question is, "Would not communism have grown infinitely faster, have covered an infinitely broader area, had it not been for our aid program?"

"Would France and Italy not have succumbed to communism?" Would not Western Germany itself, into which we have poured billions, have fallen behind the Iron Curtain?—Western Germany, from which many of Wisconsin's finest citizens are descended—Western Germany, which has so successfully rebounded to economic health, unlike the Eastern Zone, from which many of my Badger constituents are also descended, and which has unhappily suffered the dismal fate of Communist slavery?

WE PROVIDE HOPE TO ENSLAVED MILLIONS

The question is not, "Has our aid program failed because Poland, for example, has been enslaved by communism?"

No, that isn't the question. The question is, "Do we not through our mutual aid program provide a great measure of hope that one day brave, devout Poland, which has also contributed so many fine Badger folks—the Poland, of Paderewski and Kosciuszko—will one day be free?" "Do we not give hope to enslaved Poland thanks to the fact that we have helped save Western Europe and have built in Western Europe a bulwark which challenges the tyrants of the Kremlin?"

But ignoring these points, the critics of foreign aid continue to moan and groan.

They remind me of individuals who try to make this sort of argument: "See the shocking crime rate in our major cities. Obviously, our police departments—which cost us a lot of money—have failed. Therefore, let us abolish all police departments."

That, to me, is an analogous mistaken argument to the one cited by my congressional colleague.

He asserts that aid has failed. Why? Because communism has grown. Therefore, let us abolish aid and thereby permit communism to grow twice or three times as fast. Is that what he wants? Does he want to surrender the rest of the world on a silver platter to the Kremlin?

Does he want to surrender our United States airbases in England, Morocco?

How far does he want us to retreat? Does he want us to give three-fifths of the world to the Reds, fourth-fifths, nine-tenths?

Does he perhaps want continued aid to Turkey, to Greece, to Western Germany, but not to France or Italy? What sort of a defense line does he propose to build? Or would he prefer that we stand alone—with no allies, no bases, no overseas sources of strategic materials, no industrial superiority?

WISCONSIN WILLING TO PAY ITS SHARE

Now, let me make one additional point. I have stated that Wisconsin has benefited economically from mutual aid. My colleague has said that Wisconsin has paid considerably for mutual aid. The fact is that in these basic facts, both he and I are right.

Wisconsin has benefited, but she has also paid a good deal.

But I say that Wisconsin and the other 47 States of the Union would be perfectly willing and are perfectly willing to bear their economic costs of this aid program, even if not a single dime flowed back to Wisconsin.

Why? Because the people of Wisconsin, including my friend from the House, value human life more than we value dollars.

If America were to be plunged into a third world war because communism had grown so strong and reckless that it felt invincible, what would be the price tag on the death of millions of Americans?

Could anyone reckon the cost to Wisconsin of an atomic bomb falling on Milwaukee or on Racine? Could anyone reckon the cost to America of millions of our citizens dying in a holocaust?

Even if one did not assume, as one should, the fact that our own country would be attacked and would suffer terrible casualties in a world war III type war, the fact is that even a World War II type of war is infinitely more costly than our whole economic and military aid program.

During World War II, we were spending at the rate of a quarter of a billion dollars a day.

I repeat, a quarter of a billion dollars a day. Has my friend stopped to figure out what world war III would cost Wisconsin in terms of dollars, let alone in human life?

He said aid is no bargain. I say it is a bargain; it is cheap compared to the loss of life of a single boy from Racine, Beloit, or Janesville.

CONCLUSION

Foreign aid is a necessity. I wish that were not the case. I wish that we could spend this money on our own country or not to spend it at all.

But we have no alternative. We are not going to be pennywise and pound-foolish. We are not going to pinch pennies and lose the world. Dollars alone will not save the world, but a spirit of collaboration will, and that is what I am for and what my colleague is apparently against.

EMILIA PAVAN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1702) for the relief of Emilia Pavan, which was, on page 2, line 3, strike out "in excess of 10 percent thereof."

Mr. MAYBANK. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXTENSION OF DIRECT HOME AND FARMHOUSE LOAN AUTHORITY

The PRESIDING OFFICER (Mr. BEALL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CAPEHART. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CAPEHART, Mr. BRICKER, Mr. IVES, Mr. MAYBANK, and Mr. ROBERTSON conferees on the part of the Senate.

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes.

Mr. LEHMAN. Mr. President, I have wrestled long with the pending question—flexible versus firm price supports, for basic commodities and for dairy products—and have arrived at my conclusions not without difficulty.

I represent the most populous State in the Union, almost one-tenth of the population of the Nation. New York is generally conceived to be and is, indeed, largely an urban State, containing about one-eighth of all the city dwellers of the United States.

The city dwellers are, of course, the primary consumers of farm products, the principal customers of the farmers of America. Hence, as a Senator from New York, I must necessarily represent the consumer's viewpoint, as I seek to do for all other groups.

Aug. 9, 1954

8. LEGISLATIVE PROGRAM. Sen. Knowland said: "If action on the farm bill can be completed at a reasonable hour tomorrow, the Senate could then proceed to a call of bills on the calendar as to which there is no objection. If discussion of the bill should continue through tomorrow and tomorrow evening, it may be necessary to take up the social-security bill, the conference report on the atomic-energy bill, and the conference report on the mutual-security bill, before proceeding to a call of the calendar... The adjournment resolution will require an amendment providing that the House shall adjourn sine die while the Senate continues in session or takes a recess, as might be determined by the Senate, in order to solve its own problems." (pp. 13168-9.)

9. FOREIGN-AID APPROPRIATION BILL, 1955. In reporting this bill, H. R. 10051, (see Digest 151) the Appropriations Committee stated in its report: "For the last fiscal year, the surplus commodity program totaled \$245 million and for fiscal 1955, it is estimated that \$350 million in surpluses will be utilized over a wide area. In addition to the provisions of this bill for the disposition of commodities wherever feasible and practicable, it should be pointed out that the Agricultural Assistance and Development Act enacted by this Congress contains authority for the disposition of an additional \$700 million in surplus commodities under certain conditions and it is expected that this new program on a quid quo basis will displace all other programs which have been carried on on a grant basis."

The committee recommended \$9,957,621 for multilateral technical cooperation, a reduction of \$8,000,000 from the budget estimate. The House had denied this request entirely. The committee report states: "This appropriation is made with the understanding that no further pledge shall be made to the United Nations for the expanded technical assistance program...without prior authorization by the Congress... This appropriation is made with the further understanding that a study will be instituted by the Senate Committee on Appropriations of the relationship of the United States Government to the whole multilateral technical assistance program..."

The committee struck out a provision in Sec. 104 which was commented upon in the committee report as follows: "Under the provision which has been stricken by the committee, the administration would have been required to purchase local currency funds received under section 550 from the new appropriations contained in this bill before they could be used despite the express provision included in section 550. This would have the effect of penalizing those countries which are cooperating with the United States by purchasing surplus agricultural commodities."

HOUSE

10. FOREIGN AID; SURPLUS COMMODITIES. Agreed, 202 to 55, to the conference report on H. R. 9678, the mutual security authorization bill (pp. 13079-83). For provisions of the conference report see Digest 150.

11. ATOMIC ENERGY. Agreed to the conference report on H. R. 9757, the atomic energy bill (H. Rept. 2639) (pp. 13056-78). The conferees agreed to a provision to make it certain that AEC may, if it obtains funds from Congress, construct atomic energy plants for the purpose of generating electricity, but that such plants must be built on the basis of a research and development project and not for the sole purpose of generating commercial electricity. They agreed that, in the event AEC has any surplus byproduct electrical energy, it may use it, sell it to another public body or to private institutions, and, insofar as practicable, AEC must give preference to public bodies and cooperatives in the sale thereof. The conferees agreed to a provision to make it clear that

any Federal agency or any public agency which may be otherwise empowered by law to do so, and which may have funds therefor, may apply to AEC for a license to generate electricity from an atomic reactor. They deleted the House provision to permit cancellation of any international agreement arrived at under the proposed law by concurrent resolution or, under certain circumstances, by the President. The conferees agreed to a provision requiring that any patent conceived by any individual during the course of any association with the Government's atomic energy program shall become the property of the U. S. Government unless AEC may be willing to surrender its claim to a particular patent. They also agreed that AEC may give preference in issuing licenses for the manufacture of production or utilization facilities of a commercial or research nature, to those willing to make available for general use, at a royalty, whatever patents may be conceived.

12. FARM LOANS. Received the conference report on H. R. 8152, to extend the direct home and farmhouse loan authority of VA under title III of the Servicemen's Readjustment Act of 1944, and to make additional funds available therefor (H. Rept. 2652) (p. 13078). The conference agreement provides that the direct loan program shall continue until June 30, 1955, permits the sale of previously made loans to individuals, and authorizes \$37,500,000 for each quarter beginning July 1, 1954.

13. PERSONNEL. Passed, 351 to 29, with amendments, H. R. 9245, to increase postal employees' pay by 7% (pp. 13028-51).

The House Administration Committee reported (Aug. 6) with amendment, H. R. 7745, to amend the Hatch Act relating to political activities by Government employees, so as to modify the penalties and other provisions of the Act relating to employees of State or local agencies whose activities are financed in whole or in part by loans or grants from the Federal Government (H. Rept. 2638). This bill was passed on Aug. 5, prior to being reported (see Digest 150).

The Post Office and Civil Service Committee reported without amendment H. R. 9586, to amend the Civil Service Retirement Act so as to limit annuities to employees with 1 year of civilian service in the 2-year period immediately preceding separation (H. Rept. 2648) (p. 13106).

BILLS INTRODUCED

14. PERSONNEL. H. R. 10193, by Rep. Frazier, to amend the Veterans' Preference Act of 1944 in order to give preference in promotions and transfers to preference eligibles under the provisions of such act; to Post Office and Civil Service Committee (p. 13107).

15. SURPLUS LAND. S. 3847, by Sen. Eastland, to provide that certain land acquired for flood-control purposes which is suitable for agricultural use be disposed of as surplus property; to Public Works Committee (p. 13112).

ITEMS IN APPENDIX

16. PRICE SUPPORTS. Sen. Bowring inserted a Milwaukee-Journal editorial discussing the effects of price supports on surpluses and stating that "Only one thing seems obvious: There is no simple solution to this farm surplus problem" (p. A5850).

CONTINUATION OF DIRECT LOAN PROGRAM THROUGH JUNE 30, 1955

AUGUST 9, 1954.—Ordered to be printed

Mrs. ROGERS of Massachusetts, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H. R. 8152]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following. *That the Servicemen's Readjustment Act of 1944, as amended, is hereby amended—*

(a) *by striking out of clause (C) of section 512 (b) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";*

(b) *by striking out of section 512 (d) "to any private lending institution evidencing ability to service loans" and inserting in lieu thereof "to any person or entity approved for such purpose by the Administrator";*

(c) *by striking out of the first sentence of section 513 (a) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";*

(d) *by striking out of the third sentence of section 513 (c) "June 30, 1955" and inserting in lieu thereof "June 30, 1956";*

(e) *by striking out of the first sentence of section 513 (d) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";*

2 CONTINUE DIRECT LOAN PROGRAM THROUGH JUNE 30, 1955

(f) *by striking out of section 513 (d) the second time it appears the sum of "\$25,000,000" and inserting in lieu thereof the sum of "\$37,500,000".*

And the Senate agree to the same.

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
WILLIAM H. AYRES,
OLIN E. TEAGUE,
WM. JENNINGS BRYAN DORN,
Managers on the Part of the House.

HOMER E. CAPEHART,
JOHN W. BRICKER,
IRVING M. IVES,
BURNET R. MAYBANK,
A. WILLIS ROBERTSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

The bill as passed by the House provided for a 1-year extension of the direct loan program administered by the Veterans' Administration to June 30, 1955. It also authorized \$25 million additional each quarter for the purpose of making loans, less the proceeds from the sale of loans in the preceding quarter.

When the bill was referred in the Senate no action was taken immediately, but when the bill H. R. 7839, the so-called general housing bill, was under consideration, section 902 was added to that bill by the Committee on Banking and Currency, to extend the program for the same period of time as H. R. 8152—June 30, 1955—and to increase the amount of authorization from \$25 million a quarter to \$50 million a quarter. This bill was passed by the Senate in that form, but in conference section 902 was eliminated from the measure.

In the meantime Public Law 438 had been enacted, which extended the operations of the direct loan program to July 31, 1954.

Following the elimination of section 902 from the Housing bill which subsequently became Public Law 560, H. R. 8152 was reported to the Senate and passed, providing for an extension to June 30, 1955, authorizing \$50 million a quarter, and permitting the sale of direct loans to individuals. There is no difference between the two Houses as to the period of extension of the program.

The conference agreement provides that the direct loan program shall continue until June 30, 1955, permits the sale of previously made loans to individuals, and authorizes \$37,500,000 for each quarter beginning July 1, 1954.

The managers on the part of the House believe that the present system of allocating funds to the individual States and subdivisions of such States should be continued, as it embodies as equitable a method of distribution as can be devised.

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
WILLIAM H. AYRES,
OLIN E. TEAGUE,
WM. JENNINGS BRYAN DORN,
Managers on the Part of the House.

preference applies only to applicants under section 103, and it is doubtful that any licenses would be granted under this section within the 5-year period of the preference conditions. Finally, it is too much to expect that license applicants would agree as a general proposition to make licensing concessions regarding patents long in advance of specific requests by those seeking access to the patent.

I regret to say that the conferees, in adopting this makeshift and meaningless patent language, placed an insurmountable obstacle in the way of my voting for the conference bill.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. KILDAY].

(Mr. KILDAY asked and was given permission to revise and extend his remarks.)

Mr. KILDAY. Mr. Speaker, while I am a member of the Joint Committee on Atomic Energy, I was not a member of the conference committee on this bill.

I do feel that the conference report should be adopted. It happens that when we first began to legislate on the subject of atomic energy, the legislation was referred to the former Committee on Military Affairs, of which I was a member. I therefore know thoroughly that the existing Atomic Energy Act was written in an atmosphere of hysteria; that we were not able to get the type of consideration which a bill of that nature should have had. That is easily understandable, because it was so soon after the explosion of the first atomic bomb. As a matter of fact, the atmosphere was such that the normal committee processes of the other body could not function; and a special committee had to be appointed in the other body, which finally wrote the legislation.

This bill has been under consideration by the joint committee for a little more than a year, and has come here after having gone through the processes of legislation and through a conference committee. I am positive that at no time in the reasonably near future, certainly not for a period of years and perhaps never, will it be possible to get a unanimous report on a bill affecting atomic energy, and particularly the participation of private industry in the atomic program.

I do not think there is anything in this bill that should cause concern on the part of any Member of the House. I think it has been prepared with due care. While I appreciate the fact that there are circumstances involved in this legislation which will prevent some from voting for it, I think a vast majority of the Members of the House are thoroughly justified in voting for this conference report.

Mr. COLE of New York. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, in order to set at rest the thoughts on the part of some Members of the House and various members of the press that there is anything in this bill or that there was anything in this bill before, that precluded Government agencies other than the Atomic Energy Commission, from going into the business of the production of electric power through the use

of atomic energy, that simply is not so.

There is nothing to preclude an agency of Government from going into this business if it is otherwise qualified.

I want to say for the benefit of the Members of the House that this business of producing power from atomic energy is something of tremendous size. It means a plant of tremendous size. The people who deal in reactor techniques think that a reactor producing 250,000 to 300,000 kilowatts is probably in the future an economic size of reactor.

Those who talk about putting an REA into the business do not quite realize the nature of reactors. An REA, if it used atomic energy at all, would probably use what they call a package reactor which would produce at very high cost per kilowatt, and therefore probably would not be used at all. REA's, as I understand them, usually operate on from 10,000 to 15,000 or 20,000 kilowatts and not 250,000 to 300,000 kilowatts.

So, Mr. Speaker, this bill is designed to promote eventually such things as the production of electric power from atomic heat, and other peaceful uses and peaceful arts in connection with atomic energy.

I am glad that we have come to the end of the consideration of the bill. I trust it will receive unanimous support of all present or, I might say, as nearly unanimous support as possible to show that we have dealt with this subject for the time being in a way that is thoroughly satisfactory to everyone concerned. In the meantime we, and in turn the public, should realize that this act can be amended at any time if it is found that it is in anywise wrong or fails to accomplish its purpose.

Mr. COLE of New York. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, in concluding the discussion of this bill, which to my mind is of transcendent importance, I feel impelled to express very briefly and entirely inadequately a thought or two on the general subject involved.

We all know, of course, that atoms have been with us from the time of creation. It was only recently, however, that man has learned to split the atom and how to wed the atom, and in that act bring about terrific force and terrific energy. It was about 9 years ago—exactly 9 years ago this month, that this new force was used in warfare when the two bombs were dropped in Japan causing casualties amounting to approximately 150,000 human beings. Since that time the efforts of this Government have been directed toward improving the use of this great force for weapon purposes, but that effort was required, not because of any desire on the part of this Government to maim and kill and to destroy, but because of the conditions in the world. It was announced at the very beginning and has been reiterated continuously since that our effort in this direction has been toward creating a stockpile of atomic weapons that could be used against Communist aggression, against the threat of invasion of free people wherever it might become advisable or necessary.

Weapons have been improved. The expression is now used that the weapon

of Nagasaki and Hiroshima used 9 years ago is now outmoded and called a "model T." They have become bigger, bigger, and ever bigger. All this has been done to the point where the world now lives in mortal constant and continuous fear of atomic energy. The hearts of the people in this country and people throughout the world are distraught and discouraged and filled with despair as they contemplate the future with nothing involving the use of the atom except death and destruction.

The appeal of this bill, as I view it, is that the door to a different use of the atom is about to be opened. When that door is opened, it will prove the fact that there is nothing essentially or inherently sinister, baneful, or evil in atomic energy; there is nothing wrong or sinful in the energy itself; as a matter of fact lightning is more baneful and sinister than atomic energy because we cannot predetermine where or when it will strike nor what the consequences will be. Not so with atomic energy.

The effects of this new energy, whether it is directed to the destruction of man or for the creation of good, depends upon the hearts of the people who control that energy. We have learned that this energy can be controlled. The experts have indicated that through the control of this energy a field of unlimited possibilities is laid before us. This bill, Mr. Speaker, is the key to that door, opening into an Elysian era of unknown proportion.

I am confident that those Members of this body who vote for this bill today, if they could remain Members of this House 25 years from now, possibly 50 years from now, will, in looking back over their record, point to this one vote as being the outstanding one of their entire career. At long last the bright hope of the future is being lighted by making available for the use of man this new force, not only for generating electricity but for improving the bodies of people, for making the things that people want and need, the absence of which are the causes of war itself.

For my own part, and I am sure this feeling is shared by all members of the joint committee whether they vote for or against this conference report, our goal has been the same; we are proud of the part we have played in this effort to make the use of this energy available to mankind, not only for this country but for people throughout the world, for good, for creation, rather than for devastation. We can now begin to turn from fear to hope, from despair to delight, from destruction to creation, from being animals of the jungle to creatures of God. Only the future and the hearts of men will determine the eventual outcome.

The detailed arguments and discussions, the debates which have gone on about patents, public power, and other important matters of national policy have tended to conceal the really major contribution which this bill will make. As important as atomic weapons and thermonuclear weapons are to the defense of our country, they can do no more than preserve the uneasy peace of the cold war. The NATO and interna-

tional exchange provisions of the bill will go a long way toward insuring the absence of an all-out holocaust. But the real contribution of this bill lies in the promise it offers for a way to bring the cold war itself to an end. Most of the evils of the world have their roots in misery, hunger, and want. The peacetime applications of atomic energy can do much to destroy these roots of war. Cheap atomic power for the underdeveloped nations of the world can make men more resistant to the evil ideas contained in any form of totalitarian government. Radioactive isotopes offer the world its first real hope for raising world food production to a level adequate to bring hunger to a halt. The fields, the forests, and even the oceans themselves can be made to supply a good life for all people. The great strides which have already been made in the war against cancer and many, many other scourges of mankind do no more than show the way toward the elimination of the physical and mental ills from which mankind has suffered too long.

No legislative act of any Congress can bring utopia to our people or to any part of the world. But if there was ever a bill passed by any Congress which brought utopia nearer, which freed men's minds to work for human betterment, which promised not to win war but to eliminate war, this is such a bill. We should all be proud of the fact that despite our constant vigilance in military matters, we have found time and have had the vision to take these steps toward a better future. The absence of war itself is certainly to be worked for, but we cannot rest until the cold war itself has been replaced by a prosperous and healthy free world in which the roots of war no longer exist.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. COLE of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

FILING OF CONFERENCE REPORT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the conferees on the bill H. R. 8152 may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2652)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, having met, after full and free conference, have agreed to recommend and do

recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following "That the Servicemen's Readjustment Act of 1944, as amended, is hereby amended—

"(a) by striking out of clause (C) of section 512 (b) 'July 31, 1954' and inserting in lieu thereof 'June 30, 1955';

"(b) by striking out of section 512 (d) 'to any private lending institution evidencing ability to service loans' and inserting in lieu thereof 'to any person or entity approved for such purpose by the Administrator';

"(c) by striking out of the first sentence of section 513 (a) 'July 31, 1954' and inserting in lieu thereof 'June 30, 1955';

"(d) by striking out of the third sentence of section 513 (c) 'June 30, 1955' and inserting in lieu thereof 'June 30, 1956';

"(e) by striking out of the first sentence of section 513 (d) 'July 31, 1954' and inserting in lieu thereof 'June 30, 1955';

"(f) by striking out of section 513 (d) the second time it appears the sum of '\$25,000,000' and inserting in lieu thereof the sum of '\$37,500,000'."

And the Senate agree to the same.

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
WILLIAM H. AYRES,
OLIN E. TEAGUE,
WM. JENNINGS BRYAN DORN,
Managers on the Part of the House.

HOMER E. CAPEHART,
JOHN W. BRICKER,
IRVING M. IVES,
BURNETT R. MAYBANK,
A. WILLIS ROBERTSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

The bill as passed by the House provided for a 1-year extension of the direct loan program administered by the Veterans' Administration to June 30, 1955. It also authorized \$25 million additional each quarter for the purpose of making loans, less the proceeds from the sale of loans in the preceding quarter.

When the bill was referred in the Senate no action was taken immediately, but when the bill H. R. 7839, the so-called general housing bill, was under consideration, section 902 was added to that bill by the Committee on Banking and Currency, to extend the program for the same period of time as H. R. 8152—June 30, 1955—and to increase the amount of authorization from \$25 million a quarter to \$50 million a quarter. This bill was passed by the Senate in that form but in conference section 902 was eliminated from the measure.

In the meantime Public Law 438 had been enacted, which extended the operations of the direct loan program to July 31, 1954.

Following the elimination of section 902 from the housing bill which subsequently became Public Law 560, H. R. 8152 was reported to the Senate and passed, providing

for an extension to June 30, 1955, authorizing \$50 million a quarter, and permitting the sale of direct loans to individuals. There is no difference between the two Houses as to the period of extension of the program.

The conference agreement provides that the direct loan program shall continue until June 30, 1955, permits the sale of previously made loans to individuals, and authorizes \$37,500,000 for each quarter beginning July 1, 1954.

The managers on the part of the House believe that the present system of allocating funds to the individual States and subdivisions of such States should be continued, as it embodies as equitable a method of distribution as can be devised.

EDITH NOURSE ROGERS,
BERNARD W. KEARNEY,
WILLIAM H. AYRES,
OLIN E. TEAGUE,
WM. JENNINGS BRYAN DORN,
Managers on the Part of the House.

POSTAL PAY RAISE INCREASE

Mr. CRETELLA. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, to revise and extend my remarks, and that they may appear after the vote today on the postal pay increase bill.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MODERNIZATION AND IMPROVEMENT OF MERCHANT-TYPE VESSELS

Mr. TOLLEFSON submitted the following conference report and statement on the bill (S. 3546) to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense:

CONFERENCE REPORT (H. REPT. No. 2647)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3546) which would authorize an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same with further amendments as follow: In lieu of the matter proposed to be deleted by the House amendment beginning on page 2, line 25, after the numeral "1949" insert a period, delete the word "and" and insert the following sentence: "In entering into such contracts the Secretary of Commerce shall not alter the present Maritime Administration policy of inviting single bids or split bids or both for drydock and nondrydock work."

Delete the matter proposed to be inserted by the House amendment on page 3, lines 5 through 7.

THOR C. TOLLEFSON,
JOHN J. ALLEN, JR.,
JOHN H. RAY,
HERBERT C. BONNER,
JOHN F. SHELLEY,
Managers on the Part of the House.

JOHN M. BUTLER,
FREDERICK G. PAYNE,
WARREN G. MAGNUSON,
Managers on the Part of the Senate.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 11, 1954
For actions of August 10, 1954
83rd-2nd, No. 154

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HIGHLIGHTS: Senate passed farm program bill, and conferees were appointed. Both Houses agreed to conference report on bill to continue direct VA farm loans. House committee reported bill to restore USDA animal-poultry inspection authority in Virgin Islands. House committee ordered reported bill to relieve innocent purchasers of claims for CCC goods converted by warehousemen. Rep. Miller, Kans, spoke in favor of watershed-protection program. Rep. Vursell commended administration's farm-program accomplishments.

SENATE

1. FARM PROGRAM. Passed, 62-28, with amendments H. R. 9680 the farm program bill, with the language of S. 3052, as amended, substituted for the language of H. R. 9680 as passed by the House (pp. 13205-36, 13239-89). Sens. Aiken, Young, Hickenlooper, Schoepfel, Ellender, Johnston, Holland, and Anderson were appointed Senate conferees (pp. 13288-9).

Agreed to the following amendments:

By Sen. Aiken, 52-29, eliminating language tying mandatory price supports for 1955 and 1956 crops of small grains to support levels for corn (pp. 13205-22).

By Sen. Smith, Me., authorizing control over importation of potatoes that do not comply with marketing-agreement standards (p. 13222).

By Sen. Smith, Me., authorizing price supports on potatoes at 0% to 90% of parity (pp. 13222-6).

By Sen. Schoepfel, prohibiting acreage allotments (except those already made) on land leased from the Government (pp. 13226-7).

By Sen. Goldwater, to allow time for tomato producers in Mexico to get their tomatoes to the border (pp. 13227-9).

By Sen. Holland, to require imported commodities to comply with marketing-order standards (pp. 13229-30).

By Sen. Dirksen, authorizing CCC, until Mar. 1, 1955, to sell at 10% above support price any feed grains owned by it, for relief of areas where there

is a shortage of cash grain (p. 13230).

By Sen. Holland, perfecting amendments regarding containers and grapefruit orders (p. 13230).

By Sen. Williams, providing for appropriations, instead of note cancellation, in payment to CCC for commodities transferred to the stockpile (pp. 13230-1).

By Sen. Anderson, 45-41, to provide policies and procedures for protection of stockmen in connection with grazing on national forests (pp. 13239-56).

By Sen. Young, providing for noncommercial wheat areas (pp. 13256-8).

By Sen. Hickenlooper, providing for appointment by the Secretary of Agriculture of agricultural attaches to be stationed abroad (pp. 13258-62).

By Sen. Mundt, providing that strategic materials acquired by CCC shall be transferred to the national stockpile (p. 13265).

By Sen. Kennedy, to add wool to the Commodity Exchange Act (pp. 13275-6).

By Sen. Humphrey, 45-44, prohibiting limitation on the number of terms for which members of county committees may be reelected (pp. 13276-80).

By Sen. Holland, requiring the Secretary to preserve a proper balance between soil-preserving and soil-depleting crops, directing the Secretary to limit to the fullest extent practicable use of diverted acreage, and barring payments under ACP to any person who knowingly plants basic crops in excess of acreage allotments (pp. 13280-1).

By Sen. Anderson, providing that the Holland amendment (regarding imports) does not apply to Puerto Rico (pp. 13280-1).

Rejected the following amendments:

By Sen. Young, 33-54, directing price supports on small grains at 75-90% of parity for 1955 and following years (pp. 13208-21).

By Sen. Williams, 25-65, prohibiting until Feb. 1, 1955, feed or seed as disaster relief unless the State, where furnished, pays at least 25% thereof (pp. 13231-6).

By Sen. Kerr, 23-62, directing price supports on beef at 80% of parity (pp. 13262-5).

By Sen. Thye, 30-56, to make surplus dairy products available to the armed forces, provide for a study of dairy problems, and make \$15,000,000 available for brucellosis eradication (pp. 13265-70).

By Sen. Ellender, 21-60, to place a ceiling of 105% of parity on wool price supports (pp. 13270-5).

By Sen. Humphrey, directing the Public Health Service to prescribe uniform sanitary standards governing milk shipped in interstate commerce (pp. 13282-3).

By Sen. Humphrey, to continue the old parity formula for basic commodities through 1956 (pp. 13283-3).

2. GOVERNMENT COMPETITION. The Government Operations Committee reported with amendment H. R. 9835, to provide for termination of Government operations which are in competition with private enterprise (S. Rept. 2382) (p. 13204).

3. FARM LOANS. Both Houses agreed to the conference report on H. R. 8152, which extends the direct home and farmhouse loan authority of VA until June 30, 1955, permits the sale of previously made loans to individuals, and authorizes additional funds of \$37,500,000 for each quarter beginning July 1, 1954 (pp. 13176-7, 13239). This bill will now be sent to the President.

4. LEGISLATIVE PROGRAM. It was agreed that the calendar of bills will be considered today (pp. 13263-4, 13293).



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House of Representatives

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou great God, our creator and benefactor, whose blessings are abundantly sufficient for our many needs, show us how we may help mankind attain unto new and nobler standards of life and add to its richness and glory, its wonder and joy.

Inspire us with a greater concern for human rights and human welfare and may men and nations learn the art and the blessedness of living and walking together in peace.

We are daily praying that those who hold positions of leadership may be endowed with wisdom and understanding, faith and fortitude, patience and perseverance as they plan and labor to lead and lift humanity to the high plateau of brotherhood.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

THE LATE VITO MARCANTONIO

Mr. CELLER. Mr. Speaker, it is with a sense of sorrow that I announce the demise of the late lamented Vito Marcantonio, who formerly was a Member of this House from the State of New York.

One may have disagreed with him but one could never find any fault with his method of disagreement. He was a Member of this House who always fought hard for what he deemed right. He always fought fair. He had great courage and determination—a determination as firm as a rock you hold in your hand and a courage as fierce as lightning. He brought to bear upon his services in this House erudition, keen intelligence, hard

work, and what to him was a sincerity of purpose.

He may have been enthusiastically misguided in his espousal of certain causes. But that was his right. He ever stood for the preservation of fundamental liberties, and, using the words of our distinguished Chaplain this morning, he always sought the enhancement of human rights and human welfare.

He was, indeed, a redoubtable opponent. One had to bring up the best of his battalions even to meet him on equal terms. He easily found the chink in any opponent's armor. He knew long in advance the adversary's weakness.

He was one of the most skilled debaters in the Congresses he attended. He was an adept, artful parliamentarian. No one knew the rules better than he and he used that parliamentary knowledge and art with telling effect.

He was ever kind, modest, and just. I disagreed with him frequently—sometimes vehemently. We can no longer disagree and all scores are even.

Death is a mighty leveler. He now sleeps the sleep of death from which there is no awakening.

He was a Catholic by faith, and I presume a true disciple of his creed. I am sure, like David of old, he trusted in God's mercy and rejoiced in his salvation, for God was his shepherd and benefactor.

He had many setbacks; he had experienced many failures and frustrations, but one never found him bitter or rancorous or unduly condemnatory. There was no personal animosity about him; there was never self-pity. He was ever cordial and friendly. He was respected by his colleagues.

Our sympathy and condolence go forth to his dear wife and mother who survive him.

In closing, permit me to quote a verse of Stevenson's Requiem:

Under the wide and starry sky,
Dig the grave and let me lie.
Glad did I live, and gladly die,
And I laid me down with a will.

This be the verse you grave for me:
"Here he lies, where he longed to be;
Home is the sailor, home from the sea,
And the hunter home from the hill."

[Mr. HOFFMAN of Michigan addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MULTER. Mr. Speaker, many of us had our differences with our late colleague, Vito Marcantonio. Many on my side of the aisle, when he first came here in 1934, having been elected to this House as a Republican, members of my party, differed with him politically. I did, too. Later when he led the American Labor Party, many of us on both sides of the aisle differed with him politically. But he was truly a good American. Despite his differences politically with us, he was always honest in his convictions. He was fair in his political warfare. As a man, we respected him in life and it is fitting that we pay respect to his memory today.

There were few who were as good parliamentarians in this House as was Congressman Marcantonio when he was with us. But, knowing all of the intricacies of parliamentary law, he never took unfair advantage of anyone; he always gave due notice of what he intended to do, and when he gave his word, it was his bond.

Mr. Speaker, I join our colleagues today in extending to his aged mother and his beloved wife our sincere sympathy. May his soul rest in peace.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Speaker, I would like to join with my colleagues in saying a word in regard to the gentleman from New York, concerning whose death we have just received notice. I think most of us know that on many occasions his name was made a kind of byword; the fact that one had voted with him was used as argument that one was unfit to serve in the Congress. I knew him during only one term in this Congress, and I judge him only by his actions on the floor of this House and by things he said while I was a Member here with him. And, I say quite frankly that never did he support anything on the floor of this House or advocate anything which any good American, allowing for the great differences of opinion among Americans, might not have ad-

vocated and any Christian might not have advocated. I was struck especially by one of his remarks following a notice in the newspaper that his wallet had been mislaid or stolen. This notice included the information that it had contained two religious medals. A day or two later I asked him about it, and he said that he regretted very much having lost his wallet, not because of the money which it contained but because of these two medals, one of which he said was the medal of Mother Cabrini, an Italian-born American saint who had recently been canonized, and the second, a medal that he had received when he was confirmed as a Christian.

The gentleman from New York was a lonely man. Few of us knew him well or intimately. I did not. He was a hard and vigorous advocate of his causes. He was a master of the rules of this House. He was, as other Members have stated, a man who honored his word.

In death he will be fairly judged. There is no need for further judgment by men.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I want to echo what our colleague [Mr. CELLER], the dean of our delegation, has said of our departed friend, Vito Marcantonio. He was my friend. I loved him, although I was in complete disagreement with his political views. Mr. Speaker, I am sorry that I am somewhat overcome by emotion, but what I really wanted to say was that "Marc" was my friend, even though some people thought it was politically unwise to admit such friendship because of his political views. I differed with him many, many times in the past. I said on many occasions in speaking about him during his lifetime that I would undoubtedly disagree with him in the future. I cannot say that any more. As the gentleman from New York [Mr. CELLER] pointed out, when he thought he was right there was no way of changing his views. He was consistent, he was hard working, and represented his constituents ably. Many of us will miss him. I know that every Member of this House who knew him respected him and liked him, although I suppose not many will get up here and say so. No one can find fault with his personal life, even though we disagreed with him politically. I know you join with me in extending our condolences, our sincere sympathies, to his very fine wife Miriam, to his dear mother, and to the members of his family.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that Members may have the right to extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, while one might disagree with his philosophy of government, all who observed him and served with him had to respect the indefatigability and application to duty of our late colleague, Vito Marcantonio, whose death occurred under such tragic

circumstances. He was often alone on the floor of the House but his sudden death was a shock to us all. He worked hard, and he lived hard, and literally died while at work. His life was not an easy one and his untimely passing calls for us to express our sympathy to his wife and relatives. It should be the hope of all that he will now obtain a degree of peacefulness which, it is apparent, he found difficult to have here.

Mr. EBERHARTER. Mr. Speaker, I join with those who preceded me in rising to pay a brief tribute to our former colleague from New York, and to agree with them in all the good things said about Mr. Marcantonio, and the glowing tributes paid to him.

Of his many sterling attributes, what impressed me most in my personal contacts with him was his true concern for the oppressed, for those who were among the less fortunate, his ever-ready sympathy for the poor and downtrodden.

I believe that he was possessed of a good heart and a pure soul, and our memory of him, as we saw him in action on the floor of this House will be to many of us an inspiration, for without doubt he possessed exceptional ability, coupled with immense strength of character. We who knew him regret his passing at so early an age.

May the good Lord abide with him and with his family in their bereavement.

Mr. BLATNIK. Mr. Speaker, I was shocked and grieved to learn that yesterday a good friend and a former colleague had passed away. I refer, of course, to the late Vito Marcantonio who formerly represented the 18th District of New York in the House of Representatives for some 14 years.

Many Members of this body have disagreed with the political principles held by Vito Marcantonio. However, I am sure that of those who have known him—including those who disagreed with him most strongly—will all admit that he was a most honest, courageous, sincere and warmhearted person who served his constituents well in the Halls of Congress.

During the 80th and 81st Congresses I came to know Marc very well. I liked him personally very much, and I respected him for his courage and for his willingness to stand up on an issue even when he stood alone. It is always a simple matter to take a position when one is part of the majority—but it takes real conviction to stand up and be counted when you are by yourself or with only a small minority. Vito Marcantonio was a man of such convictions who never hesitated to fight for that in which he believed.

Marc was a very honest and sincere person. In all the years I knew him as a colleague, I never heard of him taking an unfair advantage of anyone, nor did I ever hear him utter a malicious word about even his worst enemies. In fact, he was an honorable man who always conducted himself as a gentleman and a Member of the Congress of the United States.

Vito Marcantonio was a real friend of mankind who always fought for the underdog. Few Members of this distin-

guished body were his equal as a parliamentarian and floor strategist. He knew the rules of the House and was a master when it came to floor debate. He fought the good fight and did it well.

Vito Marcantonio will be long remembered by all of us who knew him. His courage, sincerity and devotion to principle are traits to be admired. May his soul rest in peace.

I extend my deepest sympathies to his family in this hour of sorrow.

CONTINUATION OF DIRECT LOAN PROGRAM THROUGH JUNE 30, 1955

Mrs. ROGERS of Massachusetts. Mr. Speaker, I call up the conference report on the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1954, as amended, to make additional funds available therefor, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

Mr. Speaker, I ask that further reading of the statement of the managers be dispensed with inasmuch as the report has been printed both in the RECORD and as a separate report.

Mr. Speaker, this bill continues the direct home loan program administered by the Veterans' Administration through June 30, 1955. The program has worked well, the default rate on these loans has been less than one-half of 1 percent, and the maximum amount which the Veterans' Administration is authorized to advance may not exceed \$10,000. In actual practice it has been considerably less than that—about \$6,900. I ask unanimous consent to insert at this point the latest figures available on the operations of this program by the States since it will be of interest to all Members of the House.

The conference agreement provides for a quarterly allocation of \$37,500,000 less the proceeds of sales on previously made loans. This is exactly half of the difference between the two Houses. As passed by the House, the authorization was for \$25 million a quarter. As passed by the Senate, it was \$50 million a quarter. The conferees have agreed to split the difference.

There has been some question on the matter of allocation of these funds. The present system provides for an allocation on the basis of veteran population in those areas which are eligible for this program—the nonmetropolitan areas. The managers on the part of the House believe that the present system of allocating those funds in the individual States should be continued inasmuch as it is as equitable a system of distribution as can be devised when all points are considered.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 9, 1954.)

The conference report was agreed to, and a motion to reconsider was laid on the table.

REPORT ON UNITED STATES PARTICIPATION IN UNITED NATIONS FOR THE YEAR 1953—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 492)

The SPEAKER laid before the House the following message from the President of the United States, which was read; and, together with the accompanying papers and illustrations, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith, pursuant to the United Nations Participation Act, the eighth annual report, covering the year 1953, on United States participation in the United Nations.

This report surveys the first year of our activity in the United Nations since this administration took office, and I am happy to bring to your attention its evidence of benefits that have accrued to our country and the free world from participation in the United Nations.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, August 10, 1954.

PAYMENT TO AMERICAN EMPLOYEES DISMISSED FROM UNITED NATIONS

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 262) expressing the sense of the Congress that the United States delegation to the United Nations should take all possible steps to prevent the General Assembly of the United Nations from authorizing or approving the payment, to the 11 American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer proper questions before the Internal Security Committee of the Senate.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the resolution, as follows:

Whereas 11 American employees in the United Nations were asked in 1952 and 1953 to testify before the Internal Security Subcommittee of the Senate concerning their membership in the Communist apparatus and other subversive activities, but refused under the fifth amendment to answer, with the result that such subcommittee recommended their dismissal from such employment; and

Whereas the Secretary General of the United Nations dismissed the 11 employees from their employment in the United Nations, and they appealed; and

Whereas on appeal the United Nations Administrative Tribunal awarded damages to the 11 employees in a total amount of \$179,420 on account of such dismissal, and the International Court of Justice has recently upheld the Administrative Tribunal; and

Whereas the case is now before the General Assembly of the United Nations, which must approve the award of such damages before payment thereof can be made; and

Whereas the United States, which pays approximately one-third of the expenses of the United Nations, should not be compelled to contribute any of its funds for the payment of damages in a case of this kind to persons who have a record of disloyalty to the United States: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States delegation to the United Nations should take all possible steps to prevent the General Assembly of the United Nations from authorizing or approving the payment, to the 11 American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer proper questions before the Internal Security Subcommittee of the Senate, of the awards of damages (in a total amount of \$179,420) made by the United Nations Administrative Tribunal and recently upheld by the International Court of Justice, and that no part of the funds heretofore appropriated, or hereafter appropriated by the Congress for the United Nations shall be used for the payment of such awards.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

(Mr. GROSS asked and was given permission to extend his remarks in the RECORD at this point.)

Mr. GROSS. Mr. Speaker, I desire to commend the gentleman from Florida [Mr. ROGERS] for his untiring efforts to obtain passage of House Concurrent Resolution 262 and I want the RECORD to show that I have supported him in every way possible.

It is unthinkable that a single dollar of money derived from the taxpayers of this country, and appropriated to the United Nations, should be used for the purpose of paying almost \$180,000 in alleged damages to 11 so-called Americans, employed by the United Nations, who sought refuge under the fifth amendment and refused to answer proper questions of a United States Senate committee and a New York grand jury.

My only criticism of this concurrent resolution is that it does not go far enough. It ought to further state the position of Congress as being opposed to any further appropriation of funds to what is euphoniously called the International Court of Justice. It was this alleged court, meeting in a foreign country, that recently held these 11 suspect Americans should be paid \$180,000.

Mr. Speaker, the unanimous vote by which this resolution was approved by the House of Representatives ought to serve notice on occupants of that modern Tower of Babel, otherwise known as the United Nations Building, that there can be an end to the openhanded patience of Americans. It ought to be notice to some foreigners that not all Americans are as gullible as they might seem to be.

AUTHORIZING RELIEF OF CERTIFYING OFFICERS FROM EXCEPTIONS TAKEN TO PAYMENTS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1184) to authorize relief of author-

ized certifying officers from exceptions taken to payments pertaining to terminated war agencies in liquidation by the Department of State.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit in the accounts of authorized certifying officers of terminated war agencies, in process of liquidation by the Department of State at the time of the enactment of this act, for the amounts of suspensions and disallowances, which have been, or may be, raised by the General Accounting Office on account of payments made in accordance with vouchers certified by such certifying officers: *Provided,* That the Secretary of State or his authorized representative shall certify that in his opinion there is no evidence of fraud or collusion on the part of the certifying officers in connection with the payments.

SEC. 2. "Authorized certifying officers of terminated war agencies in process of liquidation by the Department of State" as used in this act means certifying officers employed by terminated war agencies transferred to the Department of State for liquidation and certifying officers under the Department of State who certified payments for the activities of such terminated war agencies, or any terminated wartime activity of the Department of State from funds allocated to or made available to the Department of State by working funds or reimbursements pursuant to the provisions of section 686, title 31, United States Code, or other authority of law: *Provided, however,* That no certifying officer of the Department of State shall be released hereunder as to payments made from funds appropriated directly to the Department of State or as to payments made after the date of enactment of this act: *Provided further,* That the authority granted under this act shall expire not later than 2 years after the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MODERNIZATION AND IMPROVEMENT OF MERCHANT-TYPE VESSELS

Mr. ALLEN of California. Mr. Speaker, I call up the conference report on the bill (S. 3546) and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 9, 1954.)

The conference report was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HUNTER. Mr. Speaker, I ask unanimous consent that I may insert two additional paragraphs in my extension of remarks appearing on page

A5887 of the CONGRESSIONAL RECORD of August 9 at the end of the first paragraph of the third column to read as follows:

There are other Federal agencies which historically have been producers and distributors of electric power on a commercial scale. If these agencies, such as TVA, REA, Bonneville, etc., under authority of the Congress should find it desirable to produce electricity from atomic energy, there is nothing in the bill which prohibits them from doing so. Whenever commercial feasibility has been demonstrated, these Federal and other public agencies are certainly not barred from seeking and obtaining licenses to construct and operate atomic power plants.

The Bee editorial also states that under the plan I supported, "there could be no preferential treatment for Government bodies in the distribution of atomic power." This statement is also false. During debate on the bill, an amendment was introduced by Representative JONES of Alabama, which provided that the Commission should at all times, in disposing of energy which it produces, give preference and priority to public bodies and cooperatives. This amendment was accepted by the chairman of the Atomic Energy Committee, Representative COLE, of New York, and was agreed to by the House. I voted for it.

Mr. Speaker, these two paragraphs were inadvertently omitted from the original text. I ask unanimous consent that the permanent RECORD be corrected to include these two paragraphs.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE LATE JAMES V. BUCKLEY

Mr. McVEY. Mr. Speaker, all of us were saddened by the sudden and unexpected death of Mr. James V. Buckley. Mr. Buckley represented the Fourth Congressional District of Illinois during the 81st Congress. He died Friday, July 30, in the St. Margaret's Hospital, at Hammond, Ind. Funeral services were held at 9 a. m. on August 2, 1954, at St. Victor's Church in Calumet City, Ill.

Mr. Buckley was born May 15, 1894, in Saginaw, Mich. He has lived in the area of the Illinois Fourth Congressional District for approximately 35 years. He was engaged in real estate and building business in the Calumet region for more than 20 years.

While Mr. Buckley was my predecessor in the Congress, it was not my privilege to meet him on numerous occasions. However, we have many friends in common, and the esteem in which he was held by residents of the Fourth Congressional District certainly testifies to his congenial disposition and his ability to serve his fellowmen. In the House of Representatives, he stood firmly for various types of legislation which aimed to better the conditions of the working classes. His passing is a matter of deep regret to all of us.

Mr. Buckley has lifted the veil of mystery and gone to the great beyond. It is fitting that we pause at this time in respect to his memory.

Mr. KLUCZYNSKI. Mr. Speaker, will the gentleman yield?

Mr. McVEY. I yield to the gentleman from Illinois.

Mr. KLUCZYNSKI. Mr. Speaker, it was my privilege to know the late James V. Buckley prior to the time he was elected as Congressman from the Fourth District of Illinois. He was reared on a farm and educated in the public schools of Saginaw County, Mich. For a number of years he was engaged in the real estate and building business in Chicago. He was very active in labor work and was president of Local 714, United Automobile Workers, CIO.

He was a personable individual who fought vigorously in behalf of the working people of his district. In his passing the city and State have lost an outstanding man.

To his family I extend my deepest sympathy.

IN MEMORIAM

(Mr. O'HARA of Illinois asked and was given permission to address the House for 1 minute.)

Mr. O'HARA of Illinois. Mr. Speaker, I have never been able to understand the pattern of life. Today dear friends are with us in the alternating joys and disappointments of human lives, and tomorrow they lie quiet in eternal slumber. All of us in our respective turns will follow the westward course dropping over the horizon that divides the finite from the infinite. But the order of our going is not within the zone of either our reckoning or our understanding.

I came to the 81st Congress with Jim Buckley. Three of our colleagues from Illinois, beloved friends of mine, passed on—Ralph Church, Martin Gorski, and A. J. Sabath—and to me with the passing of each of these dear friends my world narrowed.

Now Jim Buckley has gone to join the others in that wider sphere of richer service to which from the trials and tests of our sojourn on earth we are graduated.

But it is hard for me to realize that Jim Buckley has gone. He always was so big, so strong, so vibrant. It seems but yesterday that his rich voice rang out with warm cordiality his greeting of me as BART. I never had been called by that abbreviation of my name. I never had had a nickname, and I suppose that somewhere deep within me and undiscerned by me was the longing for a nickname such as possessed by those who are named Richard and are addressed by friends as Dick. A few others of my colleagues in the 81st Congress, Clint McKinnon and Chester Chesney among them, took up the BART of Jim Buckley's creation.

It was a trivial circumstance. But it is from the seeming trivialities of human associations that are made the measures of our memories of departed friends.

Jim Buckley served one term in this body. He was happy at the opportunity that was given him to be a Member of the Congress of the United States. He was happy because his life had been given to the cause of labor, and here in this Chamber he found the opportunity to serve that cause in a broader area. No higher tribute could be paid his memory,

nor one that he would like the better, than at the conclusion of his congressional service organized labor in making its appraisals of the service of Members of the 81st Congress gave to Jim Buckley a 100-percent rating.

He was born in Michigan, a farm boy. Those were the days when there was little or no machinery on the farm. There were endless hours of hard work that had to be done at the cost of sweat and aching muscles. It was not a boyhood cushioned for ease. It was the rugged boyhood of a farm boy in a period when a farmer was left to shift for himself and to take all the gamble with weather, pests, and fluctuating markets. It was a boyhood, however, spent in a simple farmhouse lightened and enriched beyond the power of costly furniture by the wholesome atmosphere of a home that placed its faith in God and in fellow men.

He came to Chicagoland, was married, children were born, and he was prosperous. The way ahead seemed rosy. Then the great depression struck. Only those who experienced the terrors of that devastating depression can grasp the completeness with which the props were knocked from under the generation then in the prime.

Jim Buckley took it on the chin, as did the others, battling to find livelihood for his little family in a sea of economic stagnation, but smiling always in the faith that soon the coming of tomorrow's sun would break the darkness of the night.

The enactment of the Wagner Act, hailed throughout the land as labor's Magna Carta, ushered in the new day when hope returned and again the sun shone upon our country. From the darkness of the night of the depression came the dawning of a new day when at long last labor was freed of the stigma of servitude and enthroned with the dignity of copartnership with management, thereafter to meet with employers at the conference table for determination of common problems.

Jim Buckley threw his talents and his devotion into the work of marshaling the workers to accept the challenge of the new and happier order.

He came to Washington, one of the crusaders for the dignity of labor, member of a valiant army mustered by the votes of an indignant electorate in the election of 1948. It was an army of high purposed crusaders, friends and champions of the great mass of American men and women who lived by toil. It won some victories. It raised the minimum wage to 75 cents an hour and vastly increased the coverage. It greatly enriched the benefits of social security. It did very much indeed to contribute to the greater contentment and welfare of the American people.

But it failed, disappointingly, in the main objective of restoring and preserving in full measure the status of dignity and copartnership of labor with management blueprinted in labor's Magna Carta, the Wagner Act. Jim Buckley did all that he could do and labor gave him a 100-percent rating.

the District of Columbia in the same manner as are payments of other expenses of the District. Notwithstanding the provisions of this section and the provisions of sections 2 and 8 of this act, the Board is authorized to requisition and receive from its account in the unemployment trust fund in the Treasury of the United States of America, in the manner permitted by Federal law, such moneys standing to the District's credit in such fund, as are permitted by Federal law to be used for expenses incurred by the Board for the administration of this act and to expend such moneys for such purposes. Moneys so received shall, immediately upon such receipt, be deposited in the Treasury of the United States in the same special account as are all other moneys received for the administration of this act. All moneys received by the Board pursuant to section 302 of the Social Security Act shall be expended solely for the purposes and in the amounts found necessary by the Department of Labor for the proper and efficient administration of this act. In lieu of incorporation in this act of the provision described in section 303 (a) (9) of the Social Security Act, the Board shall include in its annual report to Congress, provided in section 13 (c) of this act, a report of any moneys received after July 1, 1941, from the Department of Labor under title III of the Social Security Act, and any unencumbered balances in the unemployment compensation administration fund as of that date, which the Department of Labor finds have, because of any action or contingency, been lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by the Department of Labor for the proper administration of this act."

Section 15 (c) is amended to read as follows:

"(c) The Commissioners of the District shall serve on the Board without additional compensation, but the representatives of employees and employers, respectively, shall be paid \$25 for each day of active service. For the purposes of this subsection, a part of a day shall be construed as an entire day."

Section 19 (a) is amended to read as follows:

"(a) Whoever makes a false statement or representation knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase any benefit or other payment provided for in this act or under an employment security law of any other State, of the Federal Government, or a foreign government for himself or any other individual, shall, for each such offense, be fined not more than \$100 or imprisoned not more than 60 days, or both."

Section 19 is amended by adding at the end thereof the following subsection:

"(e) Any person who the Board finds has made a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to obtain or increase any benefit or any other payment under this act may be required by the Board to repay to it for the fund a sum equal to the amount of all benefits received by him for weeks subsequent to the date of the offense and falling within the benefit year current at the time of the offense. Such claimant may also be disqualified for benefits for all or part of the remainder of such benefit year and for a period of not more than 1 year commencing with the end of such benefit year and thereafter while any sum payable to the Board for the fund under this subsection is still due and unpaid, unless the Board in its discretion shall decide, after the disqualification imposed has been served, to allow the claimant to file a claim for benefits and recoup from such benefits the amount still payable to the Board.

"All findings under this subsection shall be made by an appeals tribunal of the Board

which shall afford the claimant a reasonable opportunity for a fair hearing in accordance with the provisions of section 11 of this act, and such findings shall be subject to review in the same manner as all other disqualifications decided by an appeals tribunal of the Board."

There shall be added after section 26 the following:

"SEC. 27. (a) Whenever this act prescribes the performance of a duty by any official or agency of the District of Columbia, such duty shall be performed by the Commissioners of the District of Columbia or such officer, employee, or agency as the Commissioners may delegate to perform the duty for them.

"(b) Where any provision of this act, or any amendment made by this act, refers to an office or agency abolished by or under the authority of Reorganization Plan No. 5 of 1952, such reference shall be deemed to be the office, agency, or officer exercising the functions of the office or agency so abolished."

TRANSITION PROVISIONS

SEC. 2. (a) As used in this section, unless the context clearly requires otherwise—

(1) "old law" means the unemployment compensation law prior to its amendment by this act;

(2) "new law" means the unemployment compensation law as amended by this act; and

(3) "effective date" means the date upon which the new law becomes effective.

(b) The benefit rights of any individual having a benefit year current on or after the effective date shall be redetermined and benefits for calendar weeks ending subsequent to the effective date shall be paid in accordance with the new law: *Provided*, That no claimant shall have his benefits reduced or denied by redetermination resulting from the application of this provision. All initial and continued claims for benefits for weeks occurring within a benefit year which commences on or after the effective date shall be computed and paid in accordance with the new law.

(c) This act shall take effect on January 1, 1955.

Mr. CASE. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BEALL, Mr. PAYNE, and Mr. MANSFIELD conferees on the part of the Senate.

EXTENSION OF DIRECT HOME AND FARMHOUSE LOAN AUTHORITY—CONFERENCE REPORT

Mr. CAPEHART. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8152) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 9, 1954, p. 13078, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, let me inquire of the distinguished chairman of the committee whether the report is a unanimous one.

Mr. CAPEHART. Yes, it is 100 per cent unanimous.

Mr. President, I ask that the report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the report. [Putting the question.]

The report was agreed to.

AGRICULTURAL ACT OF 1954

The Senate resumed the consideration of the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other purposes.

Mr. ANDERSON. Mr. President, I call up my amendment identified as "7-20-54—A." Since the amendment is rather long, I do not ask that it be read at this time.

The PRESIDING OFFICER. Without objection, the amendment will be printed at this point in the RECORD, instead of being read.

Mr. ANDERSON. Mr. President, the amendment is offered by me, on behalf of myself, the senior Senator from Minnesota [Mr. THYE], the senior Senator from South Dakota [Mr. MUNDT], the senior Senator from Nevada [Mr. McCARRAN], the junior Senator from Colorado [Mr. MILLIKIN], the senior Senator from Wyoming [Mr. BARRETT], the junior Senator from Wyoming [Mr. CRIPPA], the junior Senator from Arizona [Mr. GOLDWATER], and the junior Senator from Utah [Mr. BENNETT].

The amendment submitted by Mr. ANDERSON, on behalf of himself, Mr. THYE, Mr. MUNDT, Mr. McCARRAN, Mr. MILLIKIN, Mr. BARRETT, Mr. CRIPPA, Mr. GOLDWATER, and Mr. BENNETT, was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following new title:

"TITLE VIII—NATIONAL FOREST ADMINISTRATION

"SEC. 801. This title shall apply to the national forests and lands administered by the Secretary of Agriculture (hereinafter called the Secretary) under title III of the Bankhead-Jones Farm Tenant Act.

"SEC. 802. (a) The Secretary is authorized to promote and encourage the construction and maintenance of fences, range water facilities, the undertaking of range reseeding and noxious plant control projects, and other such improvements, upon the Federal lands concerned to the maximum practicable extent by the holders of grazing privileges. As an incentive to make such improvements, the Secretary is authorized to enter into agreements with the holders of grazing privileges providing for the construction and maintenance of such improvements and the terms under which the increased grazing capacity resulting from so much of such improvements as are undertaken at the expense

of such holders will be made available to such holders.

"(b) To further promote and encourage the construction and maintenance of such range improvements the Secretary shall provide by rules and regulations for compensation to such privilege holders or their estates for the loss of the value of such improvements, where such improvements shall have been authorized by the proper governmental agency and where such loss is caused by subsequent governmental action not occasioned either by abandonment or unlawful acts of the privilege holders or by fire, flood, drought, or other disaster which causes injury to the lands or improvements covered by the permit: *Provided*, That in the event such loss is the result of the action of a Federal agency other than the Department of Agriculture or because the Federal lands are needed for or transferred or assigned to another governmental agency for administration such compensation shall be paid by such other agency.

"(c) No permit shall be issued which shall entitle a permittee to the use of improvements constructed and owned by a prior permittee until either such prior permittee or his estate has received compensation from the Government in accordance with the provisions of section 802 (b) or the applicant has paid to the prior permittee or his estate the reasonable value of such improvements to be determined under rules and regulations of the Secretary; but no prior permittee who shall have abandoned his permit shall be required to be compensated.

"(d) The value of any improvement as determined under subsection (b) or (c) shall not exceed its replacement cost, less a percentage thereof commensurate with the expired portion of its normal life. The normal life of any improvement shall be determined under rules and regulations of the Secretary and shall not exceed 20 years.

"SEC. 803. The Secretary shall provide by rules and regulations for the terms and conditions under which transfers of grazing privileges may be made. The Secretary, at the time of transfer, shall not make any reduction in the number of permitted livestock solely on the basis that the permit is being transferred.

"SEC. 804. Based upon the customary practices of the grazing privilege holders of each locality concerned, the Secretary shall maintain standards as to the kind and extent of lands, waters or ranch or range improvements or any combination thereof, commonly known as base properties, required as a qualification for grazing privileges on the lands to which this title applies.

"SEC. 805. (a) Regulations of the Secretary applicable to any occupancy and use of lands described in section 801 shall include provisions whereby any action or decision of an officer of the Department with respect to such occupancy and use may, upon request of any person aggrieved by the action or decision, be reviewed. Unless a request for review is made in accordance with the provisions of such regulation, the action or decision shall be final.

"(b) Reviews by the Secretary of decisions of the Chief of the Forest Service with respect to such occupancy and use shall, upon written request to the Secretary, be referred by him to a board consisting of three members. One member of the board shall be an employee of the Department of Agriculture, to be designated by the Secretary from any agency of the Department, except the Forest Service. The second member shall be designated by the person requesting the review. The third member of the board shall be selected by the other two members to represent the general public, but such third member shall not be either an employee of the Federal or any State Government or directly connected with the interest or interests concerned. Should the first two members fail for more than 30 days after

their appointment to agree upon a third member, such third member representing the general public shall be appointed by the United States district court for any district in which any of the lands with respect to which the matter in dispute arose are located. Neither the first nor third member shall be a resident of the State in which the lands with respect to which the matter in dispute arose are located. The members of the board shall receive such per diem and actual expenses as may be determined by the Secretary. Hearings shall be held in the State in which the lands with respect to which the matter in dispute arose are located. The board shall consider the case on its merits and furnish its advice and recommendation to the Secretary.

"(c) Upon the completion of the review, the Secretary shall render a decision which shall affirm, modify, or reverse the action or decision under review. The decision of the Secretary shall be final unless an appeal therefrom pursuant to section 6 is taken within 60 days from the day on which the decision is announced.

"SEC. 806. (a) Any person who is aggrieved by a decision of the Secretary under section 805 may appeal to the Secretary for a review de novo of the action or decision of the officer reviewed under section 805, or of such action or decision as modified or reversed by the decision of the Secretary under such section, by filing a petition therefor within 60 days from the date on which the decision of the Secretary under such section is announced. The petition for appeal shall be in such form and contain such information and allegations as the Secretary, by regulations, shall prescribe. Upon the filing of a petition within the time prescribed in this subsection, the Secretary shall, in accordance with the petition, review de novo the action or decision of the officer reviewed under section 805, or such action or decision as modified or reversed by the Secretary under such section. A formal hearing shall be held, in accordance with regulations of the Secretary, in the State in which the lands with respect to which the matter in dispute arose are located. The Secretary shall render a decision affirming, modifying, or reversing the action or decision reviewed under section 805, or such action or decision as modified or reversed by the Secretary under such section. The decision of the Secretary under this section shall, except as provided in section 808, be final.

"(b) For the purpose of any hearing provided for in this section, the Secretary or his designated representative is authorized to, and at the request of the appellant shall, take the deposition of any person, and by subpoena require any person to appear and testify, or to appear and produce documents, or both, at any named place, before the Secretary or his designated representative, or before the person taking the deposition. The Secretary or his designated representative is also authorized to administer oaths or affirmations to such witnesses. Any deposition may be taken before any person designated by the Secretary or his designated representative and having power to administer oaths.

"(c) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts.

"(d) In the case of contumacy by, or refusal to obey a subpoena served upon, any person, the district court in which such person resides, transacts business, or is found shall, upon application by the Secretary, have jurisdiction to issue an order requiring such person to appear and give testimony, or to appear and produce documents or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"SEC. 807. The United States district court within whose jurisdiction the formal hearing required by section 806 (a) was held

is vested with jurisdiction to review any decision made under the provisions of section 806 (a) provided a petition for that purpose is filed within 60 days from the date of the entry of such decision. Service of process in any such proceedings may be had upon the Secretary by delivering to him a copy of the petition. Within the time prescribed by, and in accordance with the requirements of, rules promulgated by the court, unless the proceeding has been terminated on a motion to dismiss the petition, the Secretary shall file in the office of the clerk the record on review, duly certified, consisting of the pleadings, evidence, and proceedings before the Secretary under section 806, or such portions thereof as such rules shall require to be included in such record, or such portions thereof as the petitioner and the Secretary, with the approval of the court, shall agree upon in writing.

"SEC. 808. Petitions filed pursuant to section 807 of this title, unless determined on a motion to dismiss the petition, shall be heard by the court upon the record of the pleadings, evidence adduced, and proceedings before the Secretary. If the court determines that the decision of the Secretary under section 806 is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law, it shall remand such proceedings to the Secretary with directions either (a) to make such decision as the court shall determine to be in accordance with law, or (b) to take such further proceedings as in its opinion the law requires. If the court affirms the decision reviewed, the petitioner shall be required to pay the costs of such review as determined by the court. The court may require bond or other assurance from the petitioner to assure payment of such costs.

"SEC. 809. The pendency of proceedings instituted pursuant to section 806 or section 807 of this title shall not, unless specifically ordered by the Secretary or the court, as the case may be, operate to stay or suspend the application of the decision involved.

"SEC. 810. Decisions and rulings by the Secretary with respect to the occupancy and use of the lands described in section 801 (except those relating to the authority described in the next sentence) shall not be reviewed in any manner except as herein provided. Nothing in this title shall be construed to restrict the authority of the Secretary in his discretion to limit or discontinue the occupancy and use of any such lands for the purpose of preventing injury to such lands or to change the use of any such lands from one use to any other authorized use, nor to authorize the review under section 806, 807, or 808 of this title of any action or decision with respect to the powers reserved to the Secretary in this section. Nor shall anything in this title be construed to prevent or restrict any appropriate action with respect to any unauthorized use or occupancy of any such lands, nor to authorize the review under section 805, 806, 807, or 808 of this title of any such action or decision with respect thereto.

"SEC. 811. In order to obtain the views and recommendations of the various users of the lands described in section 801 and their resources on questions of policy involved in the multiple use of such lands, the Secretary may establish multiple-use advisory councils: *Provided, however*, That such councils shall not supersede or perform any of the functions of the advisory boards established under section 18 of the act of April 24, 1950 (16 U. S. C. 580k). Such councils may be established for any unit of such lands, for groups of such units, and for all such lands. In appointing the members of such councils, the Secretary shall give consideration to the recommendations made by the officers of organizations representing the principal interests concerned with the use and administration of such

Public Law 611 -- 83d Congress
Chapter 780 - 2d Session
H. R. 8152

AN ACT

To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Servicemen's Readjustment Act of 1944, as amended, is hereby amended—

(a) by striking out of clause (C) of section 512 (b) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(b) by striking out of section 512 (d) "to any private lending institution evidencing ability to service loans" and inserting in lieu thereof "to any person or entity approved for such purpose by the Administrator";

(c) by striking out of the first sentence of section 513 (a) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(d) by striking out of the third sentence of section 513 (c) "June 30, 1955" and inserting in lieu thereof "June 30, 1956";

(e) by striking out of the first sentence of section 513 (d) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(f) by striking out of section 513 (d) the second time it appears the sum of "\$25,000,000" and inserting in lieu thereof the sum of "\$37,500,000".

Approved August 21, 1954.

68 Stat. 756.

68 Stat. 757.

Veterans' loans.

Ante, p. 320.

64 Stat. 75.

38 USC 6941 (d).

67 Stat. 136.

38 USC 694m (o).

Ante, p. 320.

66 Stat. 64.

38 USC 694m

(d).

